UMSOBOMVU

MUNISIPALITEIT **MUNICIPALITY**



COLESBERG - NOUPOORT - NORVALSPONT

ANNUAL REPORT 2011 / 2012

DRAFT

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

DRAFT

FOREWORD BY THE MAYOR

In presenting the fourth Annual Report of Umsobomvu Municipality which will elaborate on the activities the Council was engaged in during the year 2010/11.The report will highlight some areas of success and some challenges the Council experienced in ensuring that services are delivered to the communities at Umsobomvu municipal area of jurisdiction during the year under review. Highlighting these challenges is also an attempt to solicit support from National, Provincial governments and all other stakeholders who stand to benefit in the continuous existence of the municipality.

This is the financial year that was characterized by a lot of service delivery protests which were accompanied by violence in most of the municipalities. These protests were in the main preceding Local Government elections. It is a known fact that before, during and after Local Government elections, communities are agitated and sometimes influenced by deliberate distortions of what Local Government as a sphere of government stands for and how it is administered .The other dimension which contributes to this instability and protests, is the democratic processes of nominations of potential Councillors conducted by competing political parties and the ultimate product of those processes which dominates the space more than lack of service delivery. The protests themselves could also be raising genuine concerns of communities but the timing and the contamination of issues that are forwarded, leaves one with questions that cannot be easily answered. This Mayor's foreword will capture as already indicated, the general summary of the municipality's performance, it's priorities for service delivery with established or clear performance targets and measures taken to improve performance.

As the Freedom charter states that: **"THE PEOPLE SHALL GOVERN"** and no government can claim legitimacy, if it is not based on the will of people.

- Every man and woman shall have the right to vote for and to stand as a candidate for all bodies which make the law.
- All people shall be entitled to take part in the administration of the country.

The above compels us to enhance concept of community participation, we have ensured that Ward Committees' are establish and they are functional and vibrant. We also have ensured during the year under review, Council meets the People program were held quarterly in order to give our communities direct say in the affairs of the Municipality

I want to take this opportunity to thank our community members for their constructive criticism, support and resiliency they have given to us during this financial year. My humbleness and appreciation also goes to my fellow Councillors who have given resounding political leadership under difficult circumstances during the financial year under review..

Lastly to the Municipal Manager, Senior Management Team and all the employees of the Municipality without them we would not be reporting on these achievements.

Let us work together to ensure that Umsobomvu Municipality becomes one of the best municipalities in South Africa as it is the only **"HALF – WAY HOUSE WITH GREAT POSSIBILITIES IN SOUTH AFRICA**

N.L. HERMANS

FOREWORD BY THE MUNICIPAL MANAGER

Capacity is at the heart of any development, therefore it is my conviction, that this capacity is demonstrated by the ability of the individuals, institutions and societies in solving their problems and in making informed choices, defining their priorities and planning for their future accordingly. But strong capacity can't be achieved over night. It is like a garden needing to be cultivated over time or as Bible says, it is like when Rome was built, it was not built in one day. It is with this in mind, that we need to review our past year activities as Municipality. The year has been a hectic one for the Municipality, because of community protests that culminated in some of our assets set alight like buildings, trucks etc. during the last six months of this financial year. This had a negative effect on the ability of the municipality to render service in some of the areas in our municipality as protestors blocked entrance roads and consistently burned tyres. This also affected the municipal staff members as they were also indirectly and directly involved in these activities The pressure of service delivery, the readiness, willingness, commitment and capacity of the employee to deliver on community expectations was then turned to be a difficult task.

In terms of capacity in the Municipality, the municipality was fairly staffed with capable individuals during the year under review 2011/12, had almost all senior management position filled, with only the manager Corporate Services being vacant. All policies, by – laws, procedures, processes and systems were developed and constantly reviewed as need arises. As reported in the last financial year, the municipality is embarking on two key programs, namely, building of strong organizational culture that would change the conduct of it's staff members and vigorous implementing credit control and debt collection for financial health of the municipality.

The Council as part of ensuring that it grows the economy of our area, embarked on the campaign of bidding for a Northern Cape University as we believed that by bringing the University in our municipality, we can attract a lot of investment. On behalf of the municipality, we would like to extend a token of appreciation to all those who supported the idea thou unfortunately we were not successful in our bid. We would like to express a special appreciation to the following individuals and institutions:

- Umsobomvu community members
- Mr. Bomela and his business partner
- District Municipality and
- All Pixley ka Seme Local Municipalities

CONCLUSION

In closing I would like sincerely express my gratitude to the employees of the Municipality for being receptive to changes introduced during the year under review such as organizational culture change as it is not an easily acceptable exercise. The gratitude is extended to them for tireless efforts they have displayed in pursuance of excellence in delivering quality service and being responsive to service queries by community members not withstanding all the difficulties they are faced with on daily basis.

I must however not forget to acknowledge the support and the smooth political interface displayed by our Political Leadership during the year under review, as it is also their last report of their office term

A.C. MPELA

MUNICIPAL MANAGER

OVERVIEW

GEOGRAPHICAL LOCATION

Umsombomvu municipality is situated in the Southern part of the Northern Cape and is boarded by Gariep municipality on the southern part and on the North Eastern part is boarded by Kopanong municipality.

The municipality covers approximately 68813 km and it has 3 major urban settlement namely, Colesberg, Novalpont and Noupoort and the seat of the municipality is in Colesberg.

Major transport corridors are N1 from the North to South and N9 from South Eastern direction of Colesberg which links with Noupoort.

DEMOGRAPHICS

Usombomvu municipal area has a population of approximately 21 995 people (StatsSA Community Survey 2007), the majority reside in the Colesberg area. Within the whole Municipality the average negative population growth rate, estimated at -0,29% by 2015 and the biggest contributing factor to the negative growth is HIV/ Aids and migration of people out of the municipal area.

The municipality has a young population, 58% being under the age of 30 of which 42% is under the age of 18. 15 to 65 which constitute the economically active part of the population is about 62% of the total population. Women headed households are about 52% of the total households 5891.

TABLE1·1 - POPULATION GROWTH

municipality	population 1996	population 2001	population 2007	population growth 2001	population growth 2007	average h/h size 2007	average h/h size 2001	average h/h size 1996
umsobomvu	25389	23636	21995	-1753	-1641	3.89	4.04	4.70

TABLE 1· 2 - GENDER STRUCTURE ON POPULATION

Males	Females	Black African	Coloured	Whites
10 571	11 424	52%	38%	10%

TABLE 1·3 - POPULATION DENSITY

The population and household distribution in the municipality as follows:-

TOWN	POPULATION 2001	HOUSEHOLD 2001	% HOUSEHOLD	% POPULATION
COLESBERG	11 875	2958	50.21 %	58.02%
NOVALSPONT	952	300	5,09%	4,64%
NOUPOORT	6376	1602	27.19%	31.15%
RURAL	2791	1031	17,50%	13.64%
UMSOBOMVU	21 995	5891	100%	100%

TABLE 1·4 - UNEMPLOYMENT AND EMPLOYMNET LEVELS (ACCORDING TO THE EXPANDED DEFINATION)

GENDER	STATUS	BLACK AFRICAN	CLOURED	INDIAN/ASIAN	WHITE	TOTAL	%
Male	Employed	1117	885	5	351	2358	16.22%
	Unemployed	1263	654	3	18	1938	13.33%
	Not economically active	1504	842	5	242	2593	17.84%
Female	Employed	940	650	0	244	1834	12.62%
	Unemployed	1819	751	0	16	2586	17.79%
	Not economically active	1877	1059	3	290	3229	22.21%
Total						14538	100%

As household income is used as a barometer that indicates the level of poverty within the community and the financial healthiness of a community contributes to financial viability of the municipality and therefore the following table indicates the poverty levels in the municipality:

TABLE 1·5 - HOUSEHOLD INCOME

	Black		Coloureds		Indian/Asian		White	
	Male	Female	Male	Female	Male	Female	Male	Female
No income	2477	3185	1090	2246	0	0	243	466
R1- R400	1018	1210	821	672	0	0	36	14
R401- R800	336	456	289	318	0	0	0	7
R801-R1600	789	827	758	612	0	0	16	193
R1601- R3200	174	81	81	118	0	0	94	77
R3201- R6400	135	110	111	132	0	0	133	133
R6401- R12800	97	50	129	33	0	0	82	103
R12801- R25800	23	22	16	16	0	0	53	73
R25801- R51201	20	0	0	0	0	0	101	19
R51200- R102400	0	0	0	0	0	0	48	0
R102401- R204800	0	4	0	0	0	0	38	0
R204801- more	0	0	0	0	0	0	0	0
Response Not given	104	35	0	0	0	0	0	0
Institutions	192	31	289	34	7	3	167	89

EXECUTIVE SUMMARY

VISION

TO BE THE FASTEST ECONOMICALLY DEVELOPING MUNICIPALITY IN SOUTH AFRICA

MISSION

TO UPLIFT OUR COMMUNITY SOCIALLY AND ECONOMICALLY, BY DELIVERING QUALITY SERVICES AND CUSTOMER CARE THROUGH OUR DEDICATED STAFF.

VALUES

RESPECT

RESPONSIVENESS

INTEGRITY

DEDICATION

ACCOUNTABILITY

SLOGAN

SOUTH AFRICA'S HALFWAY HOUSE

WITH GREAT POSSIBILITIES

OVERALL GOALS AND PRIORITIES

Chapter three of the municipal IDP which identifies developmental needs ranging social and community facilities, infrastructure and public utilities and socio – economic issues. The process calumniated with an identified and prioritized list of community needs as follows-

1. Infrastructure
2. Sanitation
3. Water
4. Roads, streets and storm water management
5. Electricity
6. Housing
7. LED, Tourism and poverty alleviation programs
8. HIV and Health issues
9. Education and Development issues
10. Youth Development
11. Land and Land Reform
12. Crime and Security(including Disaster Management)
13. Sports and Recreation
14. Environmental and waste management
15. Cemeteries

Based on the above priorities by the community, the municipality developed objectives, strategies, key performance areas and key performance indicators which were translated to organizational performance plan.

As these priorities are ranging from functions that, the municipality is authorized to perform, to functions that are responsibilities of other spheres of government and such as:

1. District municipality

2. Provincial Government and

3. National Government.

Our role then as a municipality has been to sensitize the District municipality and other spheres of governments and influencing their priorities in line with the municipal priorities. The performance highlights in this report will also then reflect these efforts.

Functions that the municipality is authorized to perform, the municipality had to re – prioritize in line with the available resources, i.e. human and financial in attempting to perform these functions. The mobilization of resources and influence to other spheres of government was treated as a priority program by the

municipality through structures such as Local Intergovernmental Forum, District and Premier's Intergovernmental Forums. The performance highlights that are to follow are then firmly based on the above applied principles by the municipality.

PERFORMANCE HIGHLIGHTS

BASIC SERVICE DELIVERY / PROVISION

In revising the I.D.P. during 2011/12 financial year, the following information reflected as a reminder in terms of service delivery backlogs in the municipality:

TABLE 1·6 - WATER - ACCESS (RESIDENTIAL CONSUMER UNITS)

NO. OF CONSUMER UNITS	URBAN	RURAL VILLAGES	RURAL FARMLAND
1. NONE/ INADEQUATE	532	0	137
2. COMMUNAL WATER SUPPLY	272	18	137
3. CONTROLLED WATER VOLUME			
4. UNCONTROLLED WATER SUPPLY			
5. TOTAL SERVED (2+3+4)			
6. TOTAL (1+5)			
7. PIPED WATER IN DWELLINGS	883	17	338
8. PIPED WATER INSIDE YARD	2876	265	421
9. BELOW RDP STANDARD	532	0	137

TABLE 1·7 - LEVEL OF SERVICE (WATER)

CATEGORY	1998		2001		2001	
	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
WITH ACCESS	5214	95,6%	5794	98,3		
WITHOUT ACCESS	240	4,4%	102	1,9%		
TOTAL	5454	100%	5896	100%		

TABLE 1·8 - LEVEL OF SERVICES EXCLUDING RURAL AREAS

	TOTAL	PERCENTAGE
WATER SERVICES ABOVE RDP	4331	89%
WATER SERVICES BELOW RDP	532	9%
PIPED WATER INSIDE DWELLINGS	900	18%
PIPED WATER INSIDE YARD	3141	84%
COMMUNAL STANDPIPE <200M	290	

TABLE 1·9 - LEVEL OF SERVICES INCLUDING RURAL AREA

	TOTAL	PERCENTAGE
WATER SERVICES LEVEL ABOVE RDP	4331	89%
WATER SERVICES LEVEL BELOW RDP	532	9%
PIPED WATER INSIDE DWELLINGS	900	18%
PIPED WATER INSIDE YARD	3141	64%
COMMUNAL STANDPIPE < 200M	290	

TABLE 1·10 - SANITATION LEVELS

DESCRIPTION	HOUSEHOLDS
1. FLUSH TOILETS CONNECTED TO SEWERAGE SYSTEM	2818
2. FLUSH TOILET CONNECTED TO SEPTIC TANK	265
3. CHEMICAL TOILETS	3
4. PIT LATRINE WITH VENTILATION	62
5. PIT LATRINE WITHOUT VENTILATION	48
6. BUCKET LATRINE	1704
7. NO TOILET FACILITY	948

TABLE 1·11 - LEVEL OF SERVICE SANITATION

CATEGORY	1998		2001		2005	
	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
WITH ACCESS	2722	49,9%	3246	55,1%	5162	98,4%
WITHOUT ACCESS	2732	50,1%	2648	44,9%	80	1,6%
TOTAL	5454	100%	5896	100%	5242	100%

TABLE 1·12 RESIDENTIAL CONSUMER UNITS SANITATION EXCLUDING FARMING AREAS

	TOTAL	PERCENTAGE
FLUSH TOILETS	3133	53%
BUCKET LATRINES	1679	28%
SANITATION ABOVE RDP	3200	54%
SANITATION BELOW RDP	2691	46%

TABLE 1·13 - RESIDENTIAL CONSUMER UNITS SANITATION INCLUDING FARMING AREAS

	TOTAL	PERCENTAGE
FLUSH TOILETS	2774	47%
BUCKET LATRINES	1643	47%
SANITATION ABOVE RDP	2783	28%
SANITATION BELOW RDP	2077	35%

TABLE 1·14 2007 SANITATION FIGURES

NO· OF CONSUMER UNITS WITH	URBAN	RURAL VILLAGE	RURAL FARMLAND
1· NONE/INADEQUATE BELOW RDP PIT			

2· NONE/INADEQUATE BELOW RDP BUCKET	80		
3· CONSUMER INSTALLATION - ON SITE DRY /EQUIVALENT INCLUDING VIP TOILET	2481		
4· CONSUMER INSTALLATIONS: WET (SEPTIC TANK, DIGESTER/TANKER DESLUDGE	510	90	142
5· DISCHARGE TO WATER TREATMENT WORRKS - WATERBORNE/INTERMEDIATE	3244	250	220
6· TOTAL SERVED (3+4+5)	6234	340	362
7· TOTAL (1+2+6)	6935	340	362

TABLE 1·15 SUMMARY OF SANITATION LEVEL OF SUPPLY ON RESIDENTIAL SITES

TOWN	SURBURB	FLUSH	CONSERVANCY TANK	BUCKET	NONE	BELOW RDP	% BELOW RDP	TOTAL
COLESBERG	COLESBERG COMMONAGE	1				0	0%	1
	COL·ESBERG TOWN	468				0	0%	458
	COLESBERG INDUSTRIAL	1				0	0%	1
	KUYASA	652	651	638	4	642	33%	1945
	LOWRYVILLE	160	45	291		291	59%	496
	TOWERVALLEI	102	10			0	0%	112
	TOTAL	1384	706	929	4	933	31%	3023
NOVALSPONT		238				0	0%	238
	TOTAL	238				0	0%	238
NOUPOORT	EUREKAVILLE	187				190	50%	377
	KWAZAMUXOLO	648			190	190	50%	377
	NOUPOORT COMMONAGE	1				0	0%	1

	NOUPOORT TOWN	689				0	0%	689
	TOTAL	1525			194	194	11%	1719
UMSOBOMVU	TOTAL	3147	706	929	198	1127	23%	4980

TABLE 1·16 - ELECTRICITY - ACCESS

CATEGORY	1996		2001		2005	
	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
WITH ACCESS	**2722**	**49,9%**	**3246**	**55,1%**	**5063**	**98%**
WITHOUT ACCESS	**2732**	**50,1%**	**2648**	**44,9%**	**99**	**2%**
TOTAL	**5454**	**100%**	**5894**	**100%**	**5162**	**100%**

TABLE 1·17 - SERVICES LEVEL REFUSE REMOVAL

CATEGORY	1996		2001		2005	
	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
WITH ACCESS	**4200**	**77%**	**4526**	**76,8%**	**5162**	**98,5%**
WITHOUT ACCESS	**1254**	**23%**	**1389**	**23,2%**	**80**	**1.5%**
TOTAL	**5454**	**100%**	**5895**	**100%**	**5242**	**100%**

TABLE 1·18 HOUSING TYPES

	1996		2003		2005		2007	
CATEGORY	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%
FORMAL	**4486**	**82,3%**	**4819**	**82%**	**7460**	**70%**	**4746**	**84%**
INFORMAL	**968**	**17,7%**	**1060**	**18%**	**3100**	**30%**	**943**	**16%**
TOTAL	**5454**	**100%**	**5879**	**100%**	**10550**	**100%**	**5680**	**100%**

TABLE 1·19 TYPE OF DWELLINGS

DESCRIPTION	NUMBER
HOUSE/BRICK STRUCTURE	4466
TRADITIONAL DWELLING/HUT/HOUSE MADE OF TRADITIONAL MATERIAL	34
FLAT IN BLOCK OF FLATS	59
TOWN/CLUSTER/SEMI - DETACHED HOUSE(TRAIN HOUSES/TRIPLEX)	199
FLATS/HOUSE/ROOM IN THE BACK YARD	28
INFORMAL DWELLINGS/SHACK IN THE BACK YARD	206
INFORMAL DWELLING/SHACK NOT JN THE BACKYARD(SQUATTER SETTLEMENTS)	600
ROOM/FLATLET NOT IN THE BACK YARD BUT SHARED PROPERTY	51
CARAVEN/TENT	0
PRIVATE SHIP/BOAT	0
TOTAL	5563

TABLE 1·20 HOUSING DEMAND PER URBAN AREA AND HOUSING PROJECTS

HOUSING PROGRAM TYPE	2006/07	2007/08	2008/09	2009/10	SITES REQUIRED	SERVICED SITES AVAILABLE	PROJECT UNDERWAY
ORDINARY PROJECT LINKED	3146						
GREENFIELDS		1693	2241	2500	4043	250	126 UNITS NOV·09/10
							109 UNITS NOV· 10/11
							50 UNITS NOU·08/09
							100 UNITS NOU·10/11
PEOPLE HOUSING PROG·							

INFORMAL SETTLEMENT UPGRADING		2200	20	2500	2520	2200	2400 UNITS
SOCIAL HOUSING PROGRAM							
REFLECTION PROGRAM							
BLOCK HOUSING PROGRAM	192						
FARM HOUSING							

If one looks closely to the above picture, the picture reveals two key issues, one is that; the municipality has no huge infrastructural backlog in terms of access to services generally. However the issue of appropriate level of services provided is a huge challenge as some of our community members are using bucket system, septic tanks that are overflowing and VIP's in urban areas that are densely populated which poses a health hazard.

The second issue relate to farm dwellers which account for a certain percentage of people with no access. The matter is a policy matter, as municipalities in terms of legislation and by – laws, cannot install services on a privately owned land and the issue of co – operation with farm owners and streamlining of legislation becomes critical.

Given all already mentioned challenges in terms of extension of services to areas that were not serviced before, the municipality has made some strides in service provision in areas that have during the financial year under review and here are some of the highlights of these achievements.

In our normal functional areas such as Refuse Removals, Electricity, Water, Roads and others there has been a great improvement in terms of services interruptions and turnaround times on response. As already indicated that the second half of this financial year, the municipality had a challenge of community protests and those protests had a negative effect on service delivery as some of our trucks were burnt down.

The services' interruptions reported by community members were promptly attended to and prioritized by the municipality.

Water has been and is still one of those serious challenges that are confronting municipality. As a municipality we have developed clear plans, long term, medium term and short term to mitigate the water problems. The long term solution to the problem is installation of bigger pipeline from the abstraction point which is Orange River to Noupoort and this project has started and will be continuing for three years from 2009/10 and if all goes according to the plan by mid 2012, the project will be completed and this will included upgrading of the WTW and the WWTW .

TABLE 121 - PAYMENT CULTURE FOR THE FINANCIAL YEAR 2009/10

COMMODITY/SERVICES	2008/09	2009/10	2010/11	2011/12
TOTAL LEVIES (ELECTRICITY, WATER, REFUSE, SEWERAGE AND RATES)	**29,567,387.94**	R36,237,349,21	R35,680,407·00	R43 677 103,02
TOTAL PAYMENTS (INCLUDING SUBSIDIES ON INDIGENT SUPPORT FROM EQUITABLE SHARE)	**22,443,243.16**	R27,082,386,33	R29,687,995·90	R36 822 680,12
PAYMENT PERCENTAGE	**76%**	75%	83%	84%

FREE BASIC SERVICES

FREE BASIC WATER: 6kl were supplied to all households in accordance with Councils policy.

FREE BASIC ELECTRICITY: 50kWh were supplied to all households qualifying for indigent status in accordance with

Councils policy in the Councils area of supply.

A service level agreement exists between Eskom and the Council for the provision of free basic electricity in Kuyasa, Masizakhe, Kwazamuxolo and Eurekaville.

FREE BASIC SEWER & REFUSE: Targeted approach was utilized. The subsidy was only supplied to households qualifying in terms of the Indigent Policy of the Council

FREE BASIC ENERGY: The municipality is supplying candles, paraffin and matches to the value equivalent to 50kwh of electricity to those community members who do not have electricity supply.

TABLE 122 - ZONING, RE-ZONING, SUB - DIVISIONS CONSOLIDATIONS AND BUILDING PLANS APPROVED 2010/11

Naam	No.	Address	Erf No.	Approved for	Plan plan fee	Receipt No.	Date
Mr. Thomas Alfred Hynne	43	Merle street	1552	Extension	303.32	26001443	13/07/20
REUTECH SOLUTIONS		Noupoort	302	Communication mast	135.00	41021130	2011/05/
REUTECH SOLUTIONS		Colesberg	681	Communication mast	135.00	41021129	2011/05/
D.J. LOUW	1	Merina	1788	Extension	191.78	41021745	28/07/20
Honey Locust Investments		Colesberg	2034	Extension	101.46	41021982	2011/01/
Honey locust Investments		Colesberg	2034	Swimming Pool	97.56	41021981	2011/01/
Midnight storm t/a The Palce		Colesberg	551-554	Extension & ADDITIONS	3,109.62	41022093	2011/03/
Miss Z.J. BOMELA	42	Bendlela	335	New house	839.06	41022999	29/8/201

Mr J. Plaatjies	51	Merle street	1548	Extension	488.47	41022837	17/8/201
Mrs J.J. Du Plessis	1	President Kruger	137	Extension	674.18	41023085	02/09
Mr. Brian Kenmluir		The lighthouse	1159	constr. Of new garage	387.48	41023320	2011/08/(
Torbiouse Solutions	69	Buffelsvlei	portion 4	Communication mast	525.00	41023277	2011/08/(
E.S. Barnard	10	Sluiterweg	2158	Extension	362.50	41024043	26/09/20:
Marie du Preez		Church Street	2167	Constr. Of Storage	2,191.89	41025014	16/10/20:
Pinkster Protestante Kerk	1	Desiree Street	960	Fencing	119.68	41025112	24/10/20:
L. Thiso(on behalf of father)	2	Pasha str.	213	New house	465.34	41025161	27/10/20:
Pinkster Protestante Kerk	1	Desiree str	960	New toilets	88.22	41025715	2011/11/:
Ntombomzi S.Silingile	3	Joka Street	812	Extension	213.61	41027580	2012/09/(
C. Douglas	15	Elaine Str.	1468	Extension	375.18	41027867	13/1/201:
Phumla Michaels	17	Affordaile Str.	1945	Extension	296.67	41028231	18/1/201:
Mr. A. Vister	15	Desiree Str.	2071	constr. Of out building	153.23	41028267	23/1/201:
Mrs x.j. Mxhali		Selai crescent	585	New House	681.65	41028948	13/2/201
Deonita Schoeman	29	Adelaide Str.	1648	Extension	294.54	41029533	28/2/201
Jonathan Bergen	56	Linda Str.	1133	New House	758.39	47000061	2012/07/(
Z.J. Bomela	42	Bomela Str.	335	New House	839.06	41022999	14/3/201
Mrs M.E.C.N. Tiger	74	Adelaide Str.	1614	Extension	306.98	33001278	2012/03/(
M. Mgqantsane	18	Nozunga Str.	1895	New House	821.09	33002169	2012/02/(
Tunki Sindelo	5	Lingani Str.	1893	New House	715.39	13002380	17/5/201
Nombulelo Francina Mlenzana	9	Lelie Str.	1796	New House	537.48	31085	21/5/201
W.J. Piek Gas en Sport	10	Station str.	828	Extension	731.34	26003813	2012/08/(
Torbicuse Solutions cc		Perseverance	farm 152	Communication mast	640.00	47001504	25/6/201
Torbicuse Solutions cc		Colesberg	681	Communication mast	379.52	47001503	25/6/201
S.H. Marais	1	Angelier Str.	1883	Extension	1,004.64	26004063	2012/09/(

TABLE 1·23 GRANTS AND SUBSIDIES RECEIVED

	1ST JUL 2011 - SEPT 2012	2ND OCT 2011 - DEC 2012	3RD JAN 2012 - MAR 2012	4TH APR 2012 - JUN 2012	TOTAL 2011/2012
MUNICIPAL INFRASTRUCTURE GRANT	4,200,000		7,565,000		11,765,000
EQUITABLE SHARE ALLOCATIONS	10,873,000	4,836,000	10,386,000		26,095,000
MUNICIPAL SUPPORT INFRASTRUCTURE GRANT	790,000				790,000
FINANCE MANAGEMENT GRANT	1,450,000				1,450,000
LIBRARY DEVELOPMENT PROGRAMME	522,000				522,000
INEG	780,000	390,000			1,170,000
ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT GRANT		10,000,000	10,000,000		20,000,000
BULK WATER	9,018,346	11,255,941	11,497,901	6,130,952	37,903,140
TAXI RANK	134,468	-	-	186,088	320,557
200 HOUSES	490,536	1,047,936	162,077	-	1,700,549
TOTAL	28,258,351	27,539,577	39,610,978	6,317,040	101,725,946

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT·

COUNCIL STRUCTURE

The Municipality is having 10 Councilors and is a Plenary type of a municipality. The Council has five male and female Concillors.

The Council has three sub – committees/standing committees, namely Corporate Services, Finance and Technical Services who are sitting a week before the Council meetings and make recommendations to the full Council sittings..

The Council established an Oversight committee during the year under review and the Public Accounts committee is still outstanding will be established during 2912/13. The Council is politically stable, there are no intra – political fighting nor inter- political fighting, the political leadership is operating as a unit. The relationship between political leadership and administration is of a very sound nature based on their roles. in fights within the political leadership and political leadership and administration. There were no resignations and dismissals, suspensions or long leaves on any Councilor or senior management team during the year under review.

COUNCIL PROCEDURES

The Council has adopted Council procedures and Council Rules of Oder that governs how the Council operates and these rules are observed by all Councilors, Officials and individuals attending Council meetings at all times. The evidence of that is the fact that no Councilor has ever been reprimanded or disciplined during this year.

COUNCIL PROCEDURES, PROCESSES & SYSTEMS

The Council developed and submitted the Employment Equity Plan and Skills Development Plan to the Department of Labor as prescribe by the legislation. The plan is implemented as part of ensuring that the working relationship between the employer and the employees is stable and communities become the main beneficiaries of a quality service.

The I.D.P. was reviewed and was also submitted to all relevant stakeholders. The budget processes were also done, draft submitted in time to Council for adoption and also the final budget adopted in time during the year under review.

Service Delivery and Budget implementation plan was developed and from it performance plans for 2011/12 for all Section 57 managers and the municipal manager were also drafted. All Section 57 managers signed performance agreements as stipulated in the legislation.

During the year under review, the Council has reviewed a number of its policies specifically finance related policies and others, the by – laws, procedures of how issues should be dealt with within and outside the municipality. The Council Rules of Order and delegation of authority and functions were also reviewed during the budget adoption session.

LOCAL ECONOMIC DEVELOPMENT

The municipality reviewed and implemented a Local Economic Development Strategy with a special focus on Tourism during the year under review with completion of projects such as renovation of our Museum, upgrading of our Doornkloof Nature Reserve, erection of information signs in the whole of the municipality.

Recognizing that the municipal financial viability heavily rely on Tourism and small scale mining, the municipality held a series of strategic sessions to harness tourism within the municipality. Amongst issues discussed and agreed on, were the following:

- The revisiting of our Vision, Mission and Values in line with the new priority of growing the economy of the municipality.
- The harnessing of the fact that Colesberg as part of the municipality is strategically located because is half way to everywhere in South Africa. Recognising this opportunity, few issues were decided and acknowledged;
    - That the town of Colesberg is land logged with one main street for development to take place, the alternative therefore was to attract investors to invest in housing for middle income individuals, businesses and industries in a municipal land adjacent N1 and N9 .
    - The land between N1 and N9 which is privately owned, was also earmarked for purchase and for development of the town further.
- The Council embarked on a campaign to ensure that the Northern Cape University is built in Colesberg as part of facilitating economic growth in the municipality.
- Furthermore the municipality is involved in implementing poverty alleviation projects such as, community projects that manufacture Toilet papers, Bakery and others.

- During the under review as part of job creation, as a municipality we have bought a "Paving making machine" so as to make our own paving bricks to upgrade our gravel roads which will create jobs for our poor community.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The municipality established ward committees and trained all ward committee members, councilors and municipal officials.

The ward committees are holding meetings monthly and issues discussed in those meetings are channeled through to Council.

The Council has established an Audit Committee during the year under review with it's members properly qualified and the committee is functioning well.

The quarterly newsletter with highlights of what is happening in the municipality is circulated to all community members within the municipality and if there is going to be service interruption, communities are consistently informed through flyers or emails as well and also an sms bundle service.

COUNCIL MEETINGS & COUNCIL MEETS THE PEOPLE

During the year under review, Council held four Ordinary Council meetings, seven Special Council meetings, two Portfolio Committee meetings, one Council meets the People meeting, three Oversight committee meetings and two Local Labour Forum meetings.

FINANCIAL VIABILITY

The municipality has complied with the sections of the Municipal Finance Management Act in terms of the submission of the annual budget in time during the year under review.

The Municipal has concentrated in harnessing local economic development, specifically tourism and small mining projects and also supporting emerging entrepreneurs and cleaning campaigns.

Eskom electricity supplied areas are a challenge to the municipality in the following areas:

- The municipality as the "electricity authority" has no clue of the agreements or and the contents of those agreements, entered into by Eskom and our predecessors.
- Areas that are directly supplied by Eskom has a negative impact on the ability of the Council to collect revenue owed by community members for services rendered and thus the financial viability of the municipality is compromised.

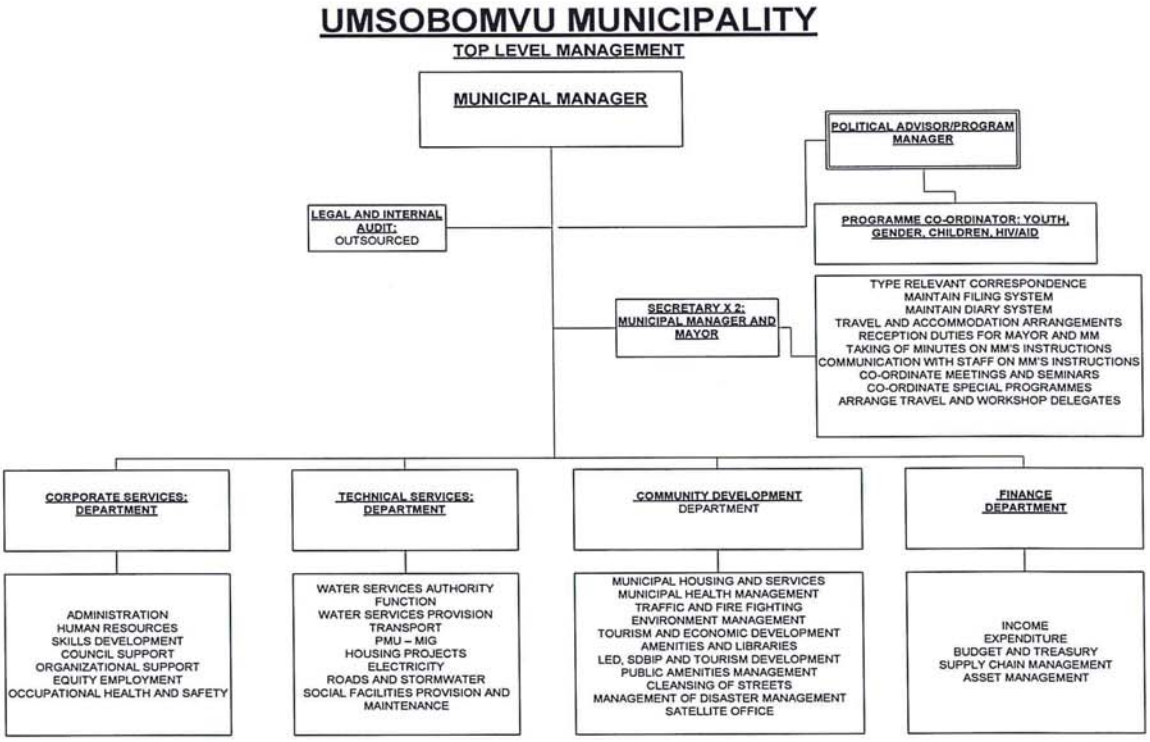
The Municipality is financial viable although there are some challenges such as growing debt book which is difficult to deal with because of the budgetary constraints and this aspect is dealt with in details on Department of Finance report included in here,

Among those challenges is Revenue collection and Debt Management, valuation of assets specifically water assets such as underground pipes and others in line with GRAP and GAMAP requirement. Some of this infrastructure was installed 60 years ago and there are no records to give guidance to this effect. With this challenge it is then difficult to compile an asset register that would be a true reflection of all municipal assets. The MFMA with all its reporting contents is also a serious challenge to smaller municipalities like Umsobomvu because financial systems that are in use now are unable to generate these reports. The

alternative is to purchase financial system that can be toiler made to generate these reports and the limitation of smaller municipality is therefore resources to purchase these packages from service providers as they are expensive. The last challenge is being a low capacity municipality that has to comply with some sections of MFMA like converting from IMFO to fully GRAP/GAMMAP compliant annual financial statements during the year under review.

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

MUNICIPALITY'S ORGANISATIONAL TOP STRUCTURE



The organizational structure indicated above, indicates how the municipality has organized itself to be able to deliver/provide services in line with the powers and functions that have been assigned to it by the South African Constitution.

This portion of the organizational structure only indicates departments and their broad functional areas i.e. the top structure of the municipality.

During the year under review, the municipality had a fully flagged top structure in place except for the manager Corporate Services Department.

FUNCTIONS

The Municipal Manager is the head of the administration and it is responsible for the formation and development of an economical, effective and accountable administration which is equipped to implement

the integrated development plan, operates within the municipality's performance management system and responsive to the need of the local community to participate in the municipal affairs.

The Municipal Manager is the accounting officer and therefore need to account for all income and expenditure of the municipality, all assets and the discharges of liabilities of the municipality, compliance with legislative requirement as well as the appointment and management of staff. The Municipal Manager is further responsible for :

- The management of communication between Councilors and officials
- The handling of all matters pertaining to disaster management
- The rendering of financial management services
- The rendering of corporate services to the entire organization
- The initiation and management of developmental programmes
- The handling of risks threatening environmental programmes
- The rendering of planning and implementation management support services to the municipality.

In support of Council's developmental responsibilities as a mentioned area, the main purpose of the office of the Municipal Manager is to enhance and integrated sustainable and equitable social and economic development of the demarcated area to delivery and provide municipal services.

ORGANISATIONAL STRUCTURE OF THE DEPARTMENT CORPORATE SERVICES

The department is fairly staffed with some vacancies on some key positions, like the head of the department, skills development facilitator, occupational safety officer and a clerk.

The department has four sub-directorates and the forth one is not reflected in the above departmental organizational structure because it is a shared service between the municipality and the District municipality. The directorates functions are as follows:

DEPARTMENT: CORPORATE SERVICES

In line with the changes agreed on during the Council strategic session, the fourth Department which was Community Development will be changed to a Section within Corporate Services Department, Corporate Services has two major Sections, viz; Administration and Community Development.

PURPOSE: (ADMINISTRATION)

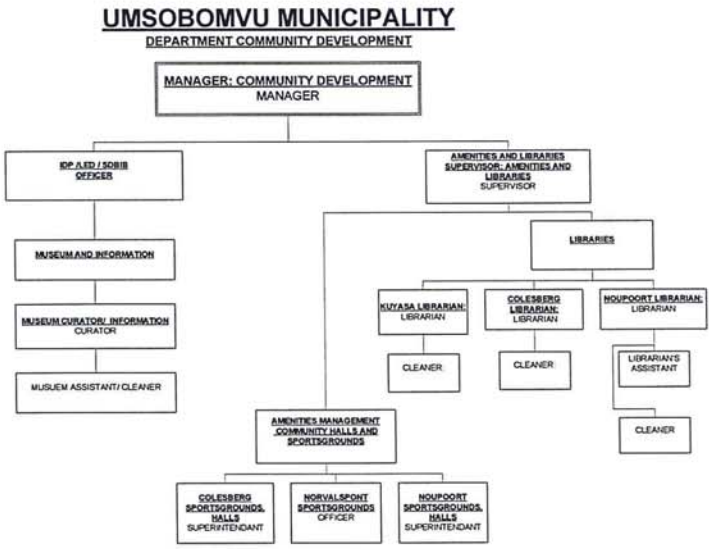
- To improve performance of the municipality.
- To provide support services to the local towns.
- To share expertise and skills in land use management, project management, financial management et
- To provide hands on supports to local towns in the short to media term.

- To handle human resource management issues.

FUNCTIONS:

- Coordination and facilitation of skills development.
- Facilitate the Municipal Manager's Forum.
- Monitoring and implementation of Infrastructural Projects.
- Facilitate Performance Management System.
- Facilitate Human Resources Management.
- Audit and Financial and Management to be performed by Finance Department.
- The handling of recruitment and appointment matters.
- The administration of conditions of services.
- The maintaining of personnel records and staff establishments.
- The implementation of policies relating to human resources management.

ORGANISATIONAL COMMUNITY DEVELOPMENT SECTION



The Section is fairly staffed with two directorates who have no heads, namely, Library services and IDP/LED. The purpose and functions of this department are as follows:

PURPOSE: (COMMUNITY DEVELOPMENT)

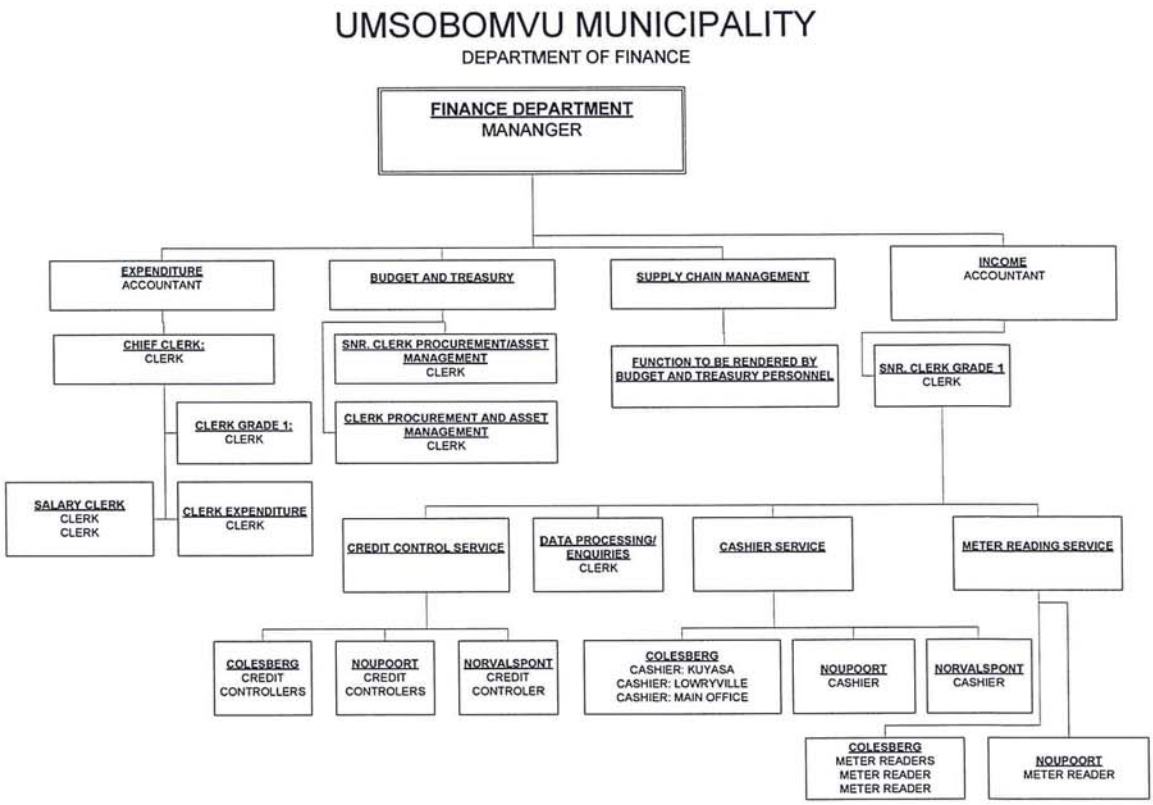
- Draft and facilitate I.D.P.'s.

- Facilitate I.D.P. representative forums.
- To manage the implementation LED strategies within the I.D.P.
- To manage and monitor LED projects.
- To handle all matters pertaining to disaster management.
- To plan and manage development of human settlements in the municipality.
- To handle risk threatening environmental health.
- To manage and maintain the functionality of public facilities.
- To initiate and manage development programmes.
- To initiate and manage the integrated development planning (IDP) process within the boundaries of the municipality.

FUNCTIONS:

- Do maintenance work on public facilities
- Provide roadworthy assistance
- Co-ordination of emergency services
- Initiate and manage the I.D.P. process within the municipality
- Promotion of tourism and local economic development within the boundaries of the municipality
- Ensuring that the legal and National government policies pertaining to I.D.P. are adhered to
- The establishment and management of an internal I.D.P. information management system
- The establishment and management of I.D.P. public participation process
- The prevention of eminent disasters
- Formulation of disaster management plans and policies
- Rapid and effective response to disaster and post disaster recovery plan.
- Identify and designate land for housing development
- Promote the resolutions of housing conflicts arising in the housing development process
- Prepare local housing sector plan
- Allocation of houses to beneficiaries
- Administer and manage the filling in of subsidy application forms

ORGANISATIONAL STRUCTURE DEPARTMENT OF FINANCE



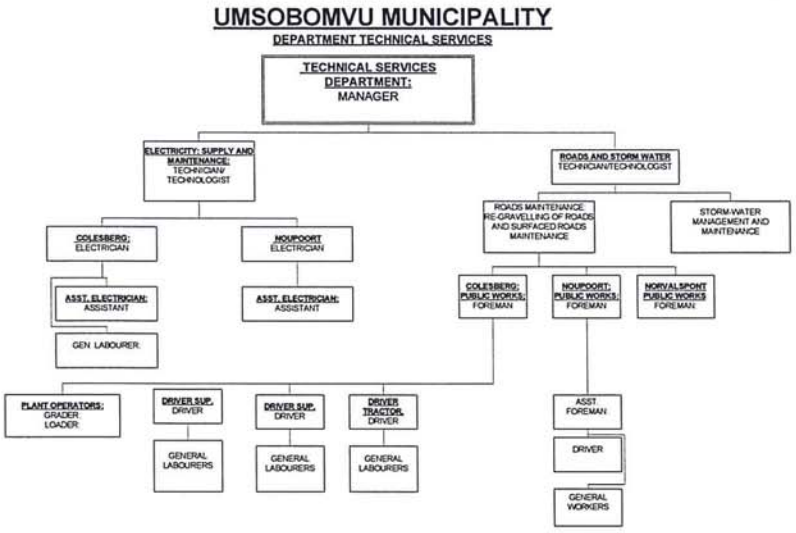
The Department comprises of four directorates, viz, Income, Expenditure, Supply Chain Management and Budget and Treasury. The Department is fairly staffed with only the Budget and Treasury directorate that has vacancies from the directorate heads, to other staff members like clerks. The department purpose and functions are as follows:

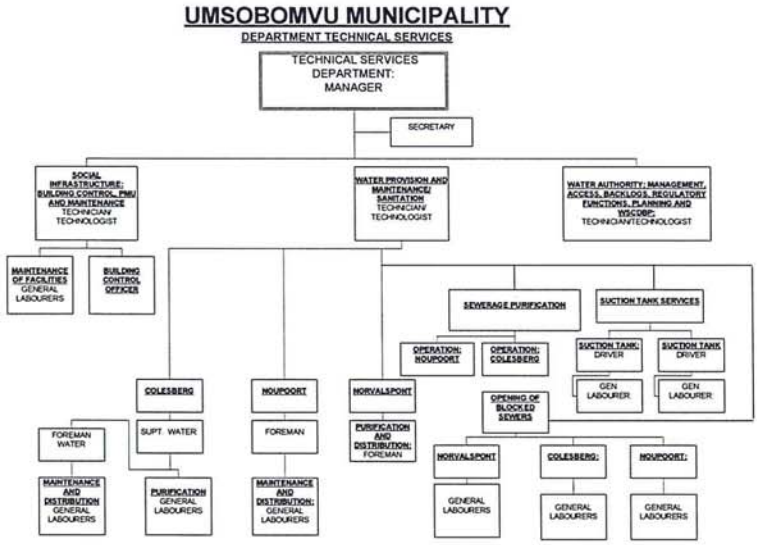
PURPOSE:

- To render and manage financial services
- To collect income for the municipality
- To establish, administer and manage financial system
- To enforce budget compliance and control in the municipality
- To render auxiliary support services.
- To ensure proper keeping of all expenditure records.
- To administer, manage and control asset acquisitions and disposals within the municipality.

FUNCTIONS:

- The collection of income
- The rendering of support regarding local authorities finances
- The rendering financial information system service
- The handling of budget control service
- The registration of businesses
- The collection of levies form businesses
- The handling of enquiries from businesses
- The compilation of account information
- The cancellation of irrecoverable levies
- The provisioning of training to local authorities regarding financial procedures
- The assisting of local authorities with financial procedures/ systems
- The introduction of proper financial systems
- The loading of new programmes on the computer system
- The rendering of information technology system
- The handling of network problems
- Updating of personnel's salaries
- Preparation and keeping of checks
- Providing financial related information when necessary
- Facilitating budget compilation process
- Administering and managing expenditure
- Administering and managing assets acquisition and disposal
- Compilation of annual financial statement
- Implementation of the customer care policy
- Reports to Council to all MFMA compliance reports
- Report to Council on MSIG progress
- Monitor conditional grants according to business plan
- Develop annual SDBIP


UMSOBOMVU MUNICIPALITY
DEPARTMENT TECHNICAL SERVICES
TECHNICAL SERVICES DEPARTMENT: MANAGER
ELECTRICITY: SUPPLY AND MAINTENANCE: TECHNICIAN/ TECHNOLOGIST
ROADS AND STORM WATER TECHNICIAN/TECHNOLOGIST
COLESBERG: ELECTRICIAN
NOUPOORT ELECTRICIAN
ROADS MAINTENANCE, RE-GRAVELLING OF ROADS AND SURFACED ROADS MAINTENANCE
STORM WATER MANAGEMENT AND MAINTENANCE
ASST. ELECTRICIAN: ASSISTANT
ASST. ELECTRICIAN: ASSISTANT
COLESBERG: PUBLIC WORKS: FOREMAN
NOUPOORT: PUBLIC WORKS: FOREMAN
NORVALSPONT PUBLIC WORKS FOREMAN
GEN. LABOURER
PLANT OPERATORS: GRADER LOADER
DRIVER SUP. DRIVER
DRIVER SUP. DRIVER
DRIVER TRACTOR. DRIVER
ASST FOREMAN
GENERAL LABOURERS
GENERAL LABOURERS
GENERAL LABOURERS
DRIVER
GENERAL WORKERS


UMSOBOMVU MUNICIPALITY
DEPARTMENT TECHNICAL SERVICES
TECHNICAL SERVICES DEPARTMENT: MANAGER
SECRETARY
SOCIAL INFRASTRUCTURE: BUILDING CONTROL, PMU AND MAINTENANCE TECHNICIAN/ TECHNOLOGIST
WATER PROVISION AND MAINTENANCE/ SANITATION TECHNICIAN/ TECHNOLOGIST
WATER AUTHORITY: MANAGEMENT, ACCESS, BACKLOGS, REGULATORY FUNCTIONS, PLANNING AND WSDP/IDP: TECHNICIAN/TECHNOLOGIST
MAINTENANCE OF FACILITIES GENERAL LABOURERS
BUILDING CONTROL OFFICER
SEWERAGE PURIFICATION
SUCTION TANK SERVICES
OPERATION: NOUPOORT
OPERATION: COLESBERG
SUCTION TANK: DRIVER
SUCTION TANK DRIVER
GEN LABOURER
GEN LABOURER
COLESBERG
NOUPOORT
NORVALSPONT
OPENING OF BLOCKED SEWERS
FOREMAN WATER
SUPT. WATER
FOREMAN
PURIFICATION AND DISTRIBUTION: FOREMAN
NORVALSPONT
COLESBERG:
NOUPOORT:
MAINTENANCE AND DISTRIBUTION GENERAL LABOURERS
PURIFICATION GENERAL LABOURERS
MAINTENANCE AND DISTRIBUTION: GENERAL LABOURERS
GENERAL LABOURERS
GENERAL LABOURERS
GENERAL LABOURERS

DEPARTMENT: TECHNICAL SERVICES

PURPOSE:

- To promote a safe road network to the road users by means of an effective road maintenance and construction within the municipal area.

FUNCTIONS:

- To perform maintenance work on all access roads surfaced and un-surfaced in the municipality.
- Do plant and vehicle maintenance.
- Do maintenance and supply work regarding electricity.
- Do maintenance and supply work regarding water provision and sanitation.
- Do feasibility studies.
- Do engineering designs.
- Administer and manage Municipal Infrastructural Grant and any other infrastructural program (MIG)

CURRENT VACANCIES (2011/12)

MUNICIPAL MANAGER DEPARTMENT

NO critical VACANT POSITION

FINANCE

no critical vacant position

CORPORATE SERVICES

MANAGER CORPORATE SERVICES

TECHNICAL SERVICES

NO CRITICAL VACANT POSITIONS

TABLE 1·24 - PENSION FUNDS

	2009/10	2010/11	2011/12
NAME OF THE PENSION FUNDS	NO OF MEMBERS	NO. OF MEMBERS	NO. OF MEMBERS
1. SALA PENSION FUND	142	148	147
2. CAPE JOINT RETIREMENT	3	2	2
3. IMATU	2	19	2
4. SAMWU NATIONAL PROVIDENT FUND	22	18	15

TABLE 1.25 - MEDICAL AID

	2009/10	2010/11	2011/12
NAME OF MEDICAL AID	NO. OF MEMBERS	NO. OF MEMBERS	NO. OF MEMBERS
BONITAS	18	18	16
SAMWU MEDICAL AID	4	9	8
LA HEALTH MEDICAL AID	19	2	2
GLOBAL MEDICAL AID	1	1	0
HOSMEAD	17	16	10
PENSIONED MEMBERS - L.A. HEALTH MED. AID	3	3	4

TABLE 1.26 - TRENDS OF PERSONNEL EXPENDITURE OVER A 5 YEAR PERIOD

	2007/08	2008/09	2009/10	2010/11	2011/12
INCOME	R40,334,978	R47,984,779	R56,871,138	R67,878,972	R72 988 241
STAFF EXP.	R17,706,107	R19,829,940	R21,773,987	R23,741,461	R27 482 772
PERCENTAGE	43%	41%	36,7%	39,2%	37,6%

STAFF SALARY DISCLOSURES - MFMA (SECT. 124 & 66 REPORTS).

The salaries, allowances and benefits of the Political Office Bearers and Councillors are paid in line with the Government Gazette issued yearly by the MEC for Corporative Governance, Housing and Traditional Affairs in the Northern Cape Province.

There is one Councilor who is in arrears for rates and services during the year under review within the municipality. As r section 124(1)(b) of the MFMA., the Councillor and some municipal employees who are in arrears and arrangement hac amounts in installments plus the current account.

TABLE 1.27 COUNCILLORS' REMUNERATION

MAYOR'S ALLOWANCE	R543 002
COUNCILLOR'S ALLOWANCE	R1 716 55·99
COUNCILLOR PENSION FUND & MEDICAL	R10 295·16

TABLE 1·28 MANAGER'S RENUMERATION

MUNICIPAL MANAGER	R1 018 097
CHIEF FINANCIAL OFFICER	R755 662
CORPORATIVE SERVICES MANAGER	VACANT
COMMUNITY DEVELOPMENT MANAGER	R663 981
TECHNICAL SERVICES MANAGER	R751 933

TABLE 1·29 SKILLS AND LEVEL OF EDUCATION – EMPLOYEES & COUNCILLORS

Surname	Initials	Occupation	Post level	Age	NQF Level
FRITZ	A	COUNCILLOR	Part Time	61	3
GRONUM	C	COUNCILLOR	Part Time	62	5
HERMANS	NL	COUNCILLOR	Full Time	46	4
HUMPHRIES	E	COUNCILLOR	Part Time	38	4
MDALA	NB	COUNCILLOR	Part Time	42	4
MLENZANA	SG	COUNCILLOR	Part Time	40	4
NGALIMANI	SG	COUNCILLOR	Part Time	61	3
REYNERS	N	COUNCILLOR	Part Time	56	4
SESTILE	MA	COUNCILLOR	Part Time	54	4
SIKO	SG	COUNCILLOR	Part Time	36	4
NR·POSTS	10		Average	50	3·90
MANAGERS SENIOR OFFICIALS					
Surname	Initials	Occupation	Post level	Age	NQF Level
MOSOMPHA	PTR	MANAGER TECHNICAL SERVICES	CONTRACT POST	42	6
MPELA	AC	MUNICIPAL MANAGER	CONTRACT POST	59	7
ROSSOUW	BD	MANAGER COMMUNITY DEVELOPMENT	CONTRACT POST	60	5
TEKI	X	MANAGER MAYOR	CONTRACT POST	29	6
VISAGIE	DT	MANAGER FINANACE	CONTRACT POST	50	5
NR·POSTS	5		Average	47	5·80
PROFESSIONALS					
Surname	Initials	Occupation	Post level	Age	NQF Level
HONDO	NV	UNIT SUPERVISOR: NORVALSPONT	0	39	5
KAPP	BJ	CHIEF ADMINISTRATION	0	54	6
MALHERBE	B·F·	SENIOR ADMINISTRATIVE OFFICER	4	62	6
MUGWEDI	P	PERSONAL ASSISTANT MUNICIPAL· MANAGER	4	33	5
NDZONGANA	W	PERSONAL ASSISTANT MAYOR	4	44	4
TOTO	NS	UNIT SUPERVISOR: NOUPOORT	0	36	4
KHAPHA	NS	SUPPLY CHAIN	3	49	5
MOSTERT	MC	ACCOUNTANT EXPENDITURE	3	45	4
STALI	S	CHIEF CLERK	4	28	4
THISO	NL	BUDGET AND TREASURY	3	25	6
SONWABO	L	ACCOUNTANT INCOME	3	43	6
CHENGE	M·R	HOUSING OFFICER	4	47	4
ASIYA	CM	HUMAN RESOURCE	4	54	4
TOTO	MK	CONTRACT POSTREER GUIDANCE	CONTRACT POST	25	4
JACOBS	MT	LIBRARIAN	6	47	4
MALITI	Z	LIBRARIAN	5	45	4
VAN ECK	M·	LIBRARIAN	5	50	4
MPEMBA	L·M	CURATOR	5	38	6
BROWNE	HE	CHIEF TRAFFIC	4	61	5
LEEUW	KR	BUILDING INSPECTOR	CONTRACT POST	29	5
VACANT		LED OFFICER	CONTRACT POST		
NR·POSTS	21		Average	44	4·75
TECHNICIANS AND TRADE WORKERS					

Surname	Initials	Occupation	Post level	Age	NQF Level
BHUKA	S	ELECTRICIAN	4	29	6
VACANT		ELECTRICIAN	4		
DOUGLAS	C	SUP. PUBLICK WORKS	7	50	3
KELEM	ZE	SUP. ROADS	7	45	2
MALANGENI	VM	MECHANIC	9	38	3
MTSHIKIZA	A	ASST. MECHANIC	9	35	4
SPORO	ZA	SUP. PUBLIC WORKS	7	56	4
MKABILE	MM	TECHNICIAN	CONTRACT POST	28	6
NTONI	T.G	FACTOTUM	11	34	4
LOUW	M	SUPERVISOR: BULK WATER	7	45	3
MOTUME	B.J.	SUPERVISOR: WATER DISTRIBUTION	7	59	1
NKCITHISO	S	TECNICIAN	CONTRACT POST	31	6
SAKI	L.G.	SUPERVISOR WASTE WATER	6	51	2
NR.POSTS	13	_	Average	42	3.45
	_	_	_	_	_

COMMUNITY AND PERSONAL SERVICE WORKERS

Surname	Initials	Occupation	Post level	Age	NQF Level
BOOYSEN	R.	LIBRARIAN'S ASSISTANT	13	52	2
MALI	JZ	LIBRARIAN'S ASSISTANT	CONTRACT POST	30	4
MALI	LG	LIBRARIAN'S ASSISTANT	CONTRACT POST	34	4
MOHLAMONYANE	TE	LIBRARIAN'S ASSISTANT	CONTRACT POST	29	4
PHOKENG	MJ	LIBRARIAN'S ASSISTANT	CONTRACT POST	46	4
MJANDANA	ZP	SPECIAL PROGRAMMES OFFICER	CONTRACT POST	30	6
KRUGER	JP	TRAFFIC OFFICER	4	37	5
KUBASHE	C	TRAFFIC OFFICER	CONTRACT POST	37	5
MQUNGQUTHU	ME	TRAFFIC OFFICER	CONTRACT POST	31	5
OLYN	JJ	TRAFFIC OFFICER	CONTRACT POST	40	5
WYNNE	TA	TRAFFIC OFFICER	5	47	5
MEKILE	MH	SUPERVISOR PARKS: NOUPOORT	7	38	4
MALTI	TK	SUPERVISOR PARKS: COLESBERG	7	58	3
MATTHEWS	E. M	MUSEUM ASSISTANT / CLEANER	12	43	2
NR.POSTS	14		Average	41	4.14

CLERICONTRACT POSTL AND ADMINISTRATIVE WORKERS

Surname	Initials	Occupation	Post level	Age	NQF Level
DOUW	V.	CLERK: PROJECT MANAGEMENT UNIT	9	32	4
LE GRANGE	FH	TYPIST	6	46	4
LOUW	D.J.	OFFICE ASSISTANT.	9	45	2
MTEMEKWANA	MA	REGISTRY	7	42	4
SMITH	HKM	REGISTY CLERK	14	46	4
NGALAMANI	Z	BUDGET AND TREASURY CLERK	7	25	4
AFRIKA	FE	CASHIER	9	36	3
BISIWE	FE	CREDIT CONTROLLER	9	39	3
BOOI	MI	CREDIT CONTROLLER	9	50	4
FREDERICKS	E	CREDIT CONTROLLER	9	32	3
FUNDA	NV	CREDIT CONTROLLER	9	32	4
GOUS	L.J.	MOTOR VEHICLE REGISTRATION CLERK	6	50	4
JANTJIE	TA	CREDIT CONTROLLER	9	48	4
MAJADA	L	DATA CAPTURER	7	55	4

MAJUDA	EN	CREDIT CONTROLLER	9	34	4
MINNELLI	L. M	SENIOR CLERK EXPENDITURE	6	46	4
NTOZINI	NA	CUSTOMER CARE OFFICER	7	35	4
PIETERSEN	G.	CASHIER	9	54	3
BOOI	N.W.	METER READER	9	44	2
GROBBELAAR	L	METER READER	9	41	3
HERENDORFER	K	METER READER	6	43	4
MEYER	J	SNR. CLERK INCOME	6	45	4
MKHOLI	L	METER READER	9	31	4
NGAMLANA	NV	METER READER	9	33	4
GEDEZANA	LP	SKILLS DEVELOPMENT	6	33	4
MKONTWANA		HUMAN RESOURCE CLERK	7	50	4
LOUW	V	HOUSING CLERK	7	29	4
HERMANUS	N	SCM CLERK	7	27	4
NR. POSTS	28		Average	38	3.68

MACHINE OPERATORS AND DRIVERS

Surname	Initials	Occupation	Post level	Age	NQF Level
KIVEDO	DM	DRIVER	9	50	2
WINDVOEL	T.W	DRIVER SW	9	41	2
DULAZE	Z.J.	DRIVER	9	55	0
MATHYS	S	DRIVER	9	57	1
MQOBO	MM	OPERATOR FRONT END LOADER	9	46	2
NOFEMELE	LJ	DRIVER	9	47	2
POKPAS	L	DRIVER	9	31	4
SIZANI	JK	GRADER OPERATOR	8	55	2
SKHUNDLA	A.	DRIVER	9	52	1
TSHALITI	ZJ	OPERATOR TLB	9	46	1
LUMKWANA	B	ROAD WORTHY ASSISTANT	13	41	4
JOKKA	DB	DRIVER MAYOR	CONTRACT POST	45	4
PILJAS	J.	DRIVER	9	57	1
ASIYA	N	C/W PLANT OPERATOR	14	35	3
HUGO	P.	DRIVER	9	48	1
SEHERIE	D	DRIVER WW	9	55	3
SOTYU	HN	C/W PLANT OPERATOR	14	43	1
NR. POSTS	17		Average	48	2.00

LABOURERS

Surname	Initials	Occupation	Post level	Age	NQF Level
ASIYA	N.M.	CLEANER	14	59	2
FALATA	NS	CLEANER	14	41	4
MAJIYA	T	CLEANER	14	46	2
MASETI	NJ	CLEANER	14	30	4
MJEZU	LP	CLEANER	14	48	4
MPAMBANE	N	CLEANER	14	29	2
PONI	A	CLEANER	14	38	4
FATYELA	A.	CLEANER	14	58	1
HUGO	N.A.	CLEANER	14	54	1
AFRIKA	D	LABOURER	14	39	2
AMBRAAL	ZD	LABOURER	CONTRACT POST	54	2
ASIYA	PE	LABOURER	14	29	4

BOOYSEN	B	LABOURER	CONTRACT POST	38	3
DOUW	J·W	LABOURER	14	39	4
DULAZE	S·B·	LABOURER	14	41	2
GABU	K·P	LABOURER	14	39	4
HAMCONTRACT POST	BM	LABOURER	14	22	3
HERMAANS	IK	LABOURER	14	31	3
HERMANUS	HD	LABOURER	CONTRACT POST	35	3
JACOBS	NE	LABOURER	14	34	1
JANUARY	T·B	LABOURER	14	47	3
JANUARY	SE	LABOURER	CONTRACT POST	54	2
KANUNU	FG	LABOURER	14	36	3
KESWA	ME	LABOURER	14	54	2
KETWA	ME	LABOURER	14	34	2
KOLWANA	ME	LABOURER	14	45	2
KWELETA	SP	LABOURER	14	31	2
LOUW	BWC	LABOURER	14	37	4
LUNDA	NG	LABOURER	14	36	2
LUNGWANA	SS	LABOURER	CONTRACT POST	22	3
MALITI	B	LABOURER	14	36	3
MALI	ON	LABOURER	CONTRACT POST	21	3
MANZI	SN	LABOURER	14	36	2
MASETI	FE	LABOURER	CONTRACT POST	42	2
MASHININI	XJ	LABOURER	14	39	4
MBUTUMA	ZA	LABOURER	14	44	1
MDA	TJ	LABOURER	14	22	2
MEKILE	A·	LABOURER	14	27	2
MEYERS	RDN	LABOURER	14	26	2
MJO	TS	LABOURER	14	28	4
MKHOLI	VB	LABOURER	14	56	1
NONGQO	SH	LABOURER	14	46	3
MPEMBA	BP	LABOURER	14	35	2
NDABAMBI	LU	LABOURER	14	30	4
NGALIMANI	MJ	LABOURER	14	37	2
NGONYAMA	AE	LABOURER	14	41	4
NGXENTZA	F	LABOURER	14	50	0
PHINTO	ND	LABOURER	14	22	2
POLOLO	KM	LABOURER	14	49	4
QUIBA	E	LABOURER	14	47	1
REED	HC	LABOURER	14	29	4
SESTILE	LC	LABOURER	14	33	4
SOMI	SC	LABOURER	14	39	3
SOTYU	PW	LABOURER	14	45	1
TWALA	A·	LABOURER	14	60	1
ZAKHE	SG	LABOURER	14	36	3
DULAZE	LG	LABOURER	14	41	0
THOMAS	K	LABOURER	14	51	2
BEAT	FK	LABOURER	14	48	0
BAARTMAN	KT	LABOURER	14	52	0
DIKO	VM	LABOURER	14	37	0
THIBANE	XA	LABOURER	14	57	0
FESI	T	LABOURER	14	31	2
GUSHA	TS	LABOURER	14	48	2
MANGALISO	NA	LABOURER	14	53	4
JOKKA	XSZ	LABOURER	14	35	2

MOLOSI	V·R·	LABOURER	13	45	3
STOFILE	WG	LABOURER	14	47	1
NKWAKWA	M·J·	LABOURER	13	46	2
SWARTZ	EV	LABOURER	14	40	3
WILLIAMS	K	LABOURER	13	44	2
FUNANI	VJ	LABOURER	14	56	3
VAN DER RANSE	M	LABOURER	14	32	3
BONA	S	LABOURER	14	53	0
DULAZE	WW	LABOURER	14	59	0
FINNIES	J	LABOURER	14	45	1
JACOBS	A·	LABOURER	14	31	3
KALA	TC	LABOURER	14	44	3
LOUW	DJ	LABOURER	14	44	2
MAKAMBA	FG	LABOURER	14	44	0
MEKILE	X	LABOURER	14	38	3
MRWARWAZA	EV	LABOURER	14	44	3
NTUNZE	ZA	LABOURER	14	37	2
RIET	A·	LABOURER	14	43	1
SOMI	NA	LABOURER	14	60	1
TAYBOSCH	S	LABOURER	14	35	4
TSHETU	M	LABOURER	14	50	0
TYOBEKA	ME	LABOURER	13	35	3
VISAGIE	H·	LABOURER	13	59	0
BATTIES	PW	LABOURER	13	44	3
BERGEN	P	LABOURER	14	33	1
BOESAK	K·	LABOURER	14	53	0
FANISO	T·R·	LABOURER	14	47	0
LOUW	JS	LABOURER	14	45	0
MAKI	GD	LABOURER	13	46	2
MANUEL	F· B	LABOURER	14	43	2
MARAMBA	ZW	LABOURER	14	38	2
MATRAS	S·	LABOURER	14	49	1
MATTHEWS	A·	LABOURER	14	53	3
MATTHYS	MN	LABOURER	14	44	0
MITANI	SE	LABOURER	14	43	2
NDOQO	J	LABOURER	14	48	0
PIETERSE	F	LABOURER	13	45	2
PYLMAN	S·J	LABOURER	14	44	3
SINDELO	N·F·	LABOURER	14	50	0
SKUT	C	LABOURER	13	51	0
SWARTZ	P	LABOURER	13	45	2
TOTESI	NM	LABOURER	13	59	0
VAN NIEKERK	A·	LABOURER	14	39	1
Nr· Of Posts	109		Average	47	2·05
Total Posts	217				

STUDENTS AND INTERNS

Surname	Initials	Occupation	Post level	Age	NQF Level
JACOBS	NP	FINANCIAL INTERN	CONTRACT POST	24	5
MPHAPHULI	MM	FINANCIAL INTERN	CONTRACT POST	26	5
MANZI	V	FINANCIAL INTERN	CONTRACT POST	27	5
NTSUDU	NS	FINANCIAL INTERN	CONTRACT POST	37	5
SIBEKO	SV	STUDENT TECHNICIAN	CONTRACT POST	23	5
	5		Average	32	5·00

ADHERENCE TO MINIMUM COMPETANCY LEVELS

The municipality is required to ensure that in terms of the Municipal Regulations on Minimum Competency Levels, No· R493 dated 4 June 2007, the Accounting Officer, Chief Financial Officer Section 56 Managers, Finance personnel on Middle Management level and Heads of Supply Chain Managements·

Name	Occupation	Minimum Competency Level
A C Mpela	Accounting Officer	Attained 2009
D T Visagie	Chief Financial Officer	Attained 2010
B D Rossouw	Manager Community Development	Attained 2010
P T R Mosompha	Manager Technical Services	Attained 2010
B J Kapp	Chief Administration	Attained 2012
M Mostert	Accountant Expenditure	Attained 2012
M S Toto	Unit Manager: Noupoort	Attained 2012
P Manzi	Manager Mayor's Office	Attained 2012
L· Sonwabo	Accountant Income	Outstanding
N S Khapha	Section Head Supply Chain Management	Outstanding
N L Thiso	Section Head Budget	Attained 2012

TABLE 1·23 GRANTS AND SUBSIDIES RECEIVED

	1ST JUL 2011 - SEPT 2012	2ND OCT 2011 - DEC 2012	3RD JAN 2012 - MAR 2012	4TH APR 2012 - JUN 2012	TOTAL 2011/2012
MUNICIPAL INFRASTRUCTURE GRANT	4,200,000		7,565,000		11,765,000
EQUITABLE SHARE ALLOCATIONS	10,873,000	4,836,000	10,386,000		26,095,000
MUNICIPAL SUPPORT INFRASTRUCTURE GRANT	790,000				790,000
FINANCE MANAGEMENT GRANT	1,450,000				1,450,000
LIBRARY DEVELOPMENT PROGRAMME	522,000				522,000
INEG	780,000	390,000			1,170,000
ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT GRANT		10,000,000	10,000,000		20,000,000
BULK WATER	9,018,346	11,255,941	11,497,901	6,130,952	37,903,140
TAXI RANK	134,468	-	-	186,088	320,557
200 HOUSES	490,536	1,047,936	162,077	-	1,700,549
TOTAL	28,258,351	27,539,577	39,610,978	6,317,040	101,725,946

DEPARTMENT CORPORATE SERVICES
1 JULY 2011 TO 30 JUNE 2012

ANNUAL REPORT: 1 JULY 2011 TO 30 JUNE 2012

1. MISSION, VISION STATEMENT

VISION

To be the fastest economically developing municipality in South Africa.

MISSION

To uplift our community socially and economically, by delivering quality services and customer care through our dedicated staff.

2. VALUES AND SLOGAN

VALUES

Respect;
Responsiveness;
Integrity;
Dedication;
Accountability.

SLOGAN

South Africa's Halfway House with Great Possibilities.

3. INTRODUCTION AND OVERVIEW

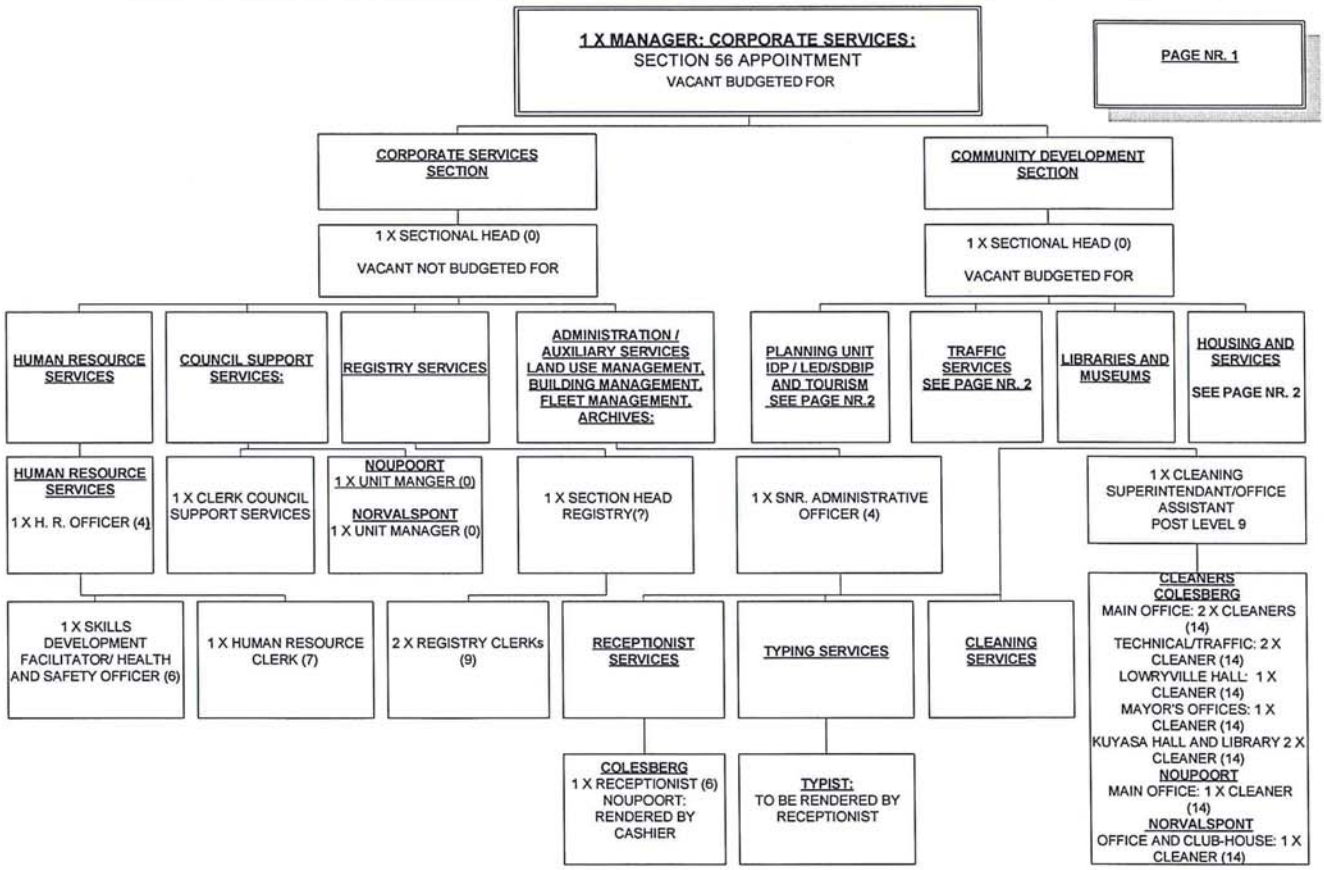
The Corporate Services Department is a department horizontally with the other sector departments of the municipality, i.e. Finance Department and Technical Services Department. The department does not have a line manager and the Municipal Manager oversees the function of the department in the interim. The Department of Community Development has been incorporated in the Department of Corporate Services as from 1 July 2011 and the post of Manager has been advertised. The Community Development Sections and Corporate Services Section are each been headed by a Section Head with a manager overseeing both the former Department of Community Development and Corporate Services. These two posts have been advertised in the last quarter of the year under review. For the current report the Department of Corporate Services and the former Department of Community

Development will submit separate reports as the majority of the work reported on has been done as separate departments.

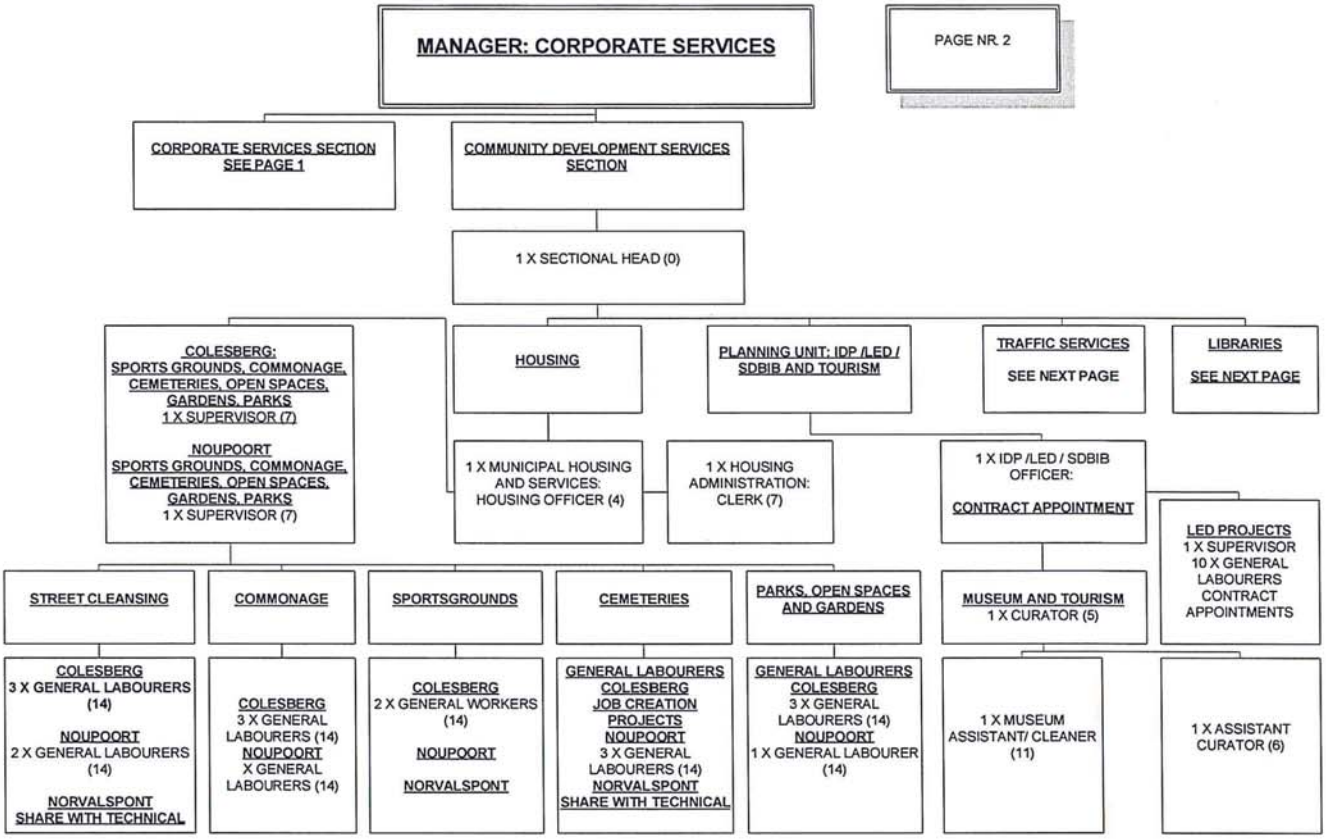
The Corporate Section is tasked with the provision of support services to the Council and other line departments, i.e. Human Resource Services, Council Support Services, Auxiliary Services and Archive Services. The Community Development Section is tasked with the provision of Library Services, Museum Services, Traffic Services, Cleansing Services, Housing Services and the maintenance of Parks, Gardens, Sports Fields, Cemeteries and Commonages.

The Key Performance Areas (KPA's) that are applicable to the Corporate Services Department for execution during the course of the financial year entails, Basic Service Delivery, Financial Viability, Organisational Development and Transformation, Local economic Development and Good Governance and Public Participation. These KPA's are taken up in the Performance Plans of managers and defines the Council's expectations of the Manager Corporate Services in terms of Section 57(5) of the Local Government: Municipal Systems Act, 2000 as Amended which provides for performance objectives and targets which are based on the Key Performance Indicators (KPI's) as set out in the IDP and Service Delivery and Budget Implementation Plan. The organogram of the department looks as follows:

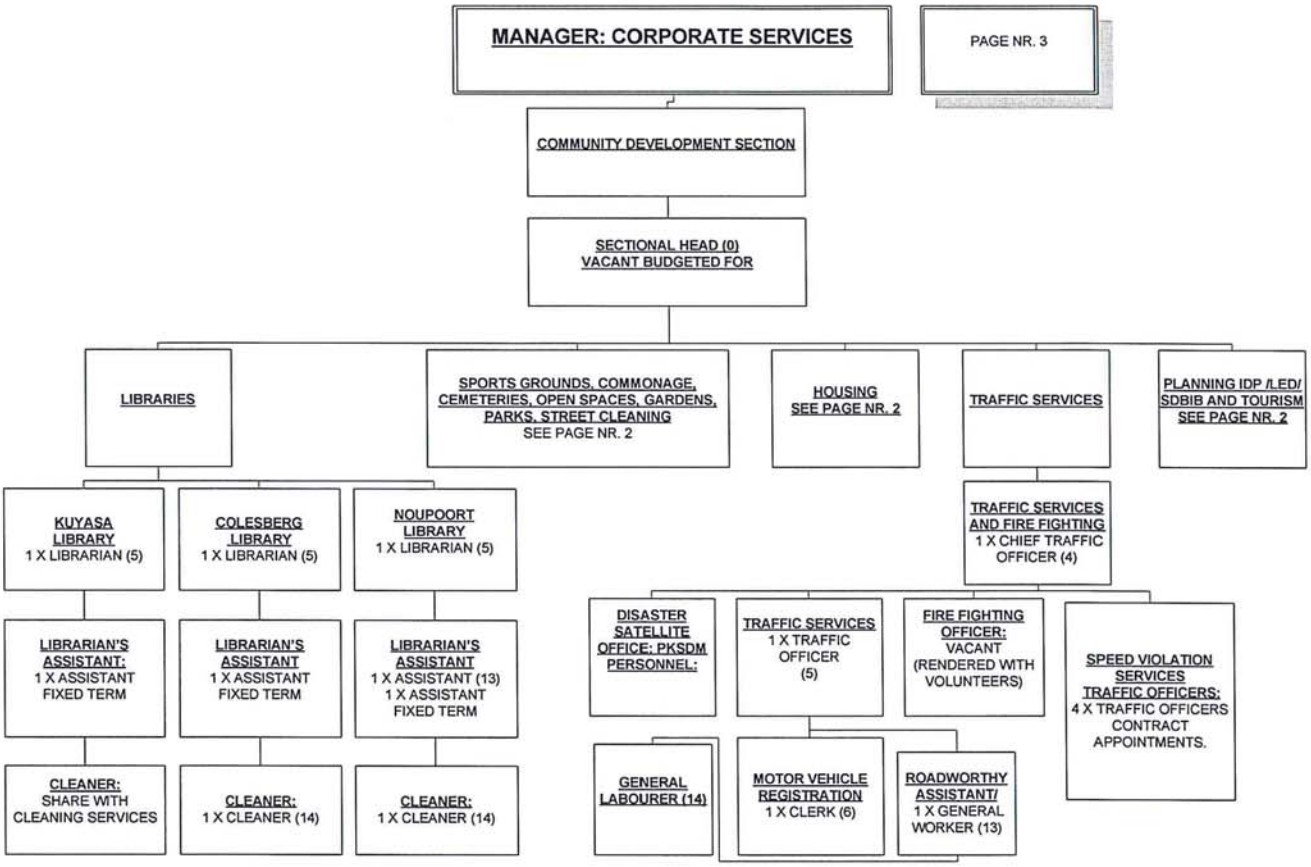
UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



4. KEY PERORMANCE AREAS

In order for the municipality to function properly and to ensure that the performance of the personnel and the municipality can be monitored and measured in a scientific manner, Key Performance Areas (KPA's) have been developed. The Key performance areas applicable to the municipality as a whole are as follows:

- KPA 1: Basic Service Delivery;
- KPA 2: Municipal Institutional Development and Transformation;
- KPA 3: Local economic development;
- KPA 4: Financial viability and management;
- KPA 5: Good Governance and Public Participation.

In order for any line department to function and to perform, it is necessary for it to concentrate on it's core functions and not to be smothered by personnel matters, payroll, etc In order for Corporate Services to perform, KPA's have been allocated and need to be addressed.

The Key Performance Areas applicable to the department are as follows:

4.1 *SERVICE DELIVERY AREAS*

KEY PERFORMANCE AREA	STRATEGY	INDICATOR	BASELINE	TARGET	ACHIEVEMENT
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To effectively and efficiently manage transformation and institutional development in the municipality	Skills Development and Training	100% expenditure spend on training budget	Quarterly report to Council	Anticipated levy claimable amounts to R 111746.21. Contributions from owns funds mounts to 223492.42. The total to be spent on training amounts to R335236.63. A total of R354713.86 was spent on training.
			Full percentage of claimable funds to be claimed from SETA	Quarterly report to Council	Full claimable funds depend on the submission of monthly and annual reports. No funds were received from the SETA.
			Annual submission of WSP implementation report	Proof of submission to LGSETA	Skills Development Plan for the 2011/12 financial year was submitted on 30 June 20122. The 2010/11 Annual report on Skills Development Implementation and Planning was submitted on 30 June 2012.
			Annual submission of WSP for next financial year	Proof of submission to LGSETA	The Skills Development Plan was submitted on time, thus full percentage of funds is claimable.
			Submission of WSP monthly report	Proof of submission to LGSETA	No monthly reports on the Skills Development Implementation Plan were submitted due to the non-availability of templates and the lack of training. Numerous requests were made to the SETA to provide training for the Skills Development facilitator, to no avail. The matter has been taken up with the SETA, Department of Coghsta and SALGA.
			Quarterly report to Council on execution of archive procedures and processes	Quarterly report to Council	The Archive Section of the department has been re-staffed following the transfer of existing personnel due to problems encountered. The newly transferred personnel have been subjected to various training courses to equip them with the required levels of training and skills. The training was provided by the Department of Sport arts and Culture.
		Occupational Health and Safety	Draft and submit an Occupational Health and Safety plan for municipality	Quarterly report to Council	A Health and Safety Plan was not drafted.
			Schedule Health and Safety meetings with agenda and minutes	Quarterly report to Council	One Health and Safety Committee meeting is planned per month. Two meetings were held during the oversight period. Meetings were scheduled but due to non-commitment of Health and Safety Representatives, quorums could not be attained. Agendas, attendance registers and minutes of meetings, if any, are filed

					for future reference.
			Appoint Health and Safety Representative and attend HOS meetings	Quarterly report to Council	Occupational Health and Safety Representatives are appointed for the following departments: Technical Services, Corporate Services and Finance. Organised labour is represented on the Health and Safety Committee.
			Conduct and submit a quarterly Occupational Health and Safety audit for all workplaces	Quarterly report to Council	Occupational Health and Safety audits have been done in the 1st, 3rd and 4th quarters of the overview period.
		Recruitment of personnel and personnel management	Render administrative support to all departments to facilitate the recruitment process	Quarterly report to Council	Recruitment of personnel is being conducted according to our existing organogram to fill vacant posts. A total of 26 vacancies were advertised, applicants were interviewed and placements were done.
			Manage and administer all records in relation to recruitment process and employee records	Quarterly report to Council	A total of 34 files were opened for newly appointed personnel and all relevant documents to finalise the appointment and placement procedure were filed.
			Manage and keep up to date all personnel records, leave, etc. on a weekly basis	Quarterly report to Council	All leave to an employee's credit were recorded and captured on the system and entered in leave registers. All files were updated during the oversight period.
			All critical posts to advertised and filled	Quarterly report to Council	Four critical posts were identified for recruitment and advertised. One appointment has been made to fill critical vacant posts.
			Approval of HR Development plan	Approval by Council	An HR Plan has not been drafted.
			Recruitment of personnel in all post levels and advise for compliance with EE plan	Quarterly report to Council	All vacant posts have been advertised stating that the municipality is an equal opportunity employer. An Employment Equity report has been availed to all managers to identify shortlist applicant in accordance with the EE targets of the municipality.
		Legislative interface	Attend Portfolio, Council and Special Council meetings	Proof of council meetings	The following Council meetings were attended: Ordinary Council Meetings: 26 August 2011, 23 November 2011, 7 February 2012, 31 May 2012. Special Council Meetings: 14 December 2011, 19 December 2011, 31 January 2012, 30 March 2012, 12 April 2012, 31 May 2012, 20 June 2012. Portfolio Meetings:

					3 November 2011, 17 May 2012.
			Quarterly report to Council on execution of Council resolutions	Quarterly report to Council	All resolutions passed by Council have been attended to. See schedule at end of report.
		Development of By-Laws, policies procedures, delegation of powers and strategies	Develop and or review By-Laws, policies, procedures, delegation of powers and strategies and delegate powers to sub-ordinates	Quarterly report to Council	The following budget related policies have been reviewed prior to the approval of the 2012/13 budget: Bad Debt Write-Off, Tariffs, Credit Control, Indigent Support, Supply Chain Management, Virement, Fixed Assets and Travel and Subsistence. A new policy on Delegation of Powers in terms of the MFMA was introduced and approved by Council. Delegations and sub-delegation of powers was cascaded to sub-ordinates.
		Employee Wellness programme	Availing of departmental speakers on funeral on invitation of families of deceased employees	Quarterly report to Council	Two requests were received to avail speakers on funerals.
		Labour relations	Facilitate prompt disciplinary actions against ill - disciplined employees	Quarterly report to Council	All requests for investigation of misconduct were drafted and provided to the Municipal Manager for final decision. Disciplinary actions were instituted where it deemed necessary. Fifteen disciplinary actions were conducted and finalised. Sanctions issued pursuant to disciplinary hearings ranged from dismissals to formal written warnings. Three employees were dismissed due to abscondment and five due to misconduct. Ten cases were referred to the Bargaining Council for Conciliation and or Arbitration: Three cases are pending, four cases were settled following agreements, two cases were won and one were won by the employee and re-instated.
			Proper management of leave	Quarterly report to Council	All audits queries regarding leave were received and attended to.
			Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Report to Council	The monthly print outs of the clock system have been retrieved from the system and availed to payroll. Of the four clock points three were in operation for the whole oversight period and one clock point was out of order for the last quarter.
		Organizational structure	Review of departmental organizational structure in line with	Proof of approval	The organizational structure was reviewed and submitted to Council with the 2012/13 draft budget. The organogram was subsequently approved by Council. The

			departmental goal		organogram was amended twice during the course of the year to provide for urgent and critical appointments.
		Fleet management	Management and reporting of use of departmental vehicles: Running cost and maintenance	Quarterly report to Council	The cost of the fleet (2 x VW Golf) for the 2011/12 financial year was monitored and reported to Council on a quarterly basis. The following is a summary of the costs reported: Fuel: R 60 511.46 Km Travelled: 65 811
			Accident report on damaged vehicles and repair of damage	Quarterly report to Council	No accidents occurred during the overview period.
FINANCIAL MANAGEMENT AND VIABILITY	Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	Prepare timeous departmental comment on internal and external audit reports		All internal and external audit queries were referred to the department and attended to.
			Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	Quarterly report to Council	Overtime limits have been monitored to stay within the allocation. Leave applications and procedures connected with it were observed as required by the policy and internal audit.
		Budget Control & monitoring	Submission of overtime control - overspending not to be in excess of 5%	Quarterly report	Overtime claims were monitored for overspending on a monthly basis. The budget allocated was not exceeded by the 5% norm.
			Updating of departmental asset register to reflect assets acquired, disposed and replacement.	Report to Council	All assets procured or disposed have been given through to the responsible employee for updating of the asset register.
			Review departmental insurance portfolio on annual basis	Report to Council	Asset register were scrutinized and updated for insurance purposes.
			Timeously reporting of all insurance claims on all assets	Report to Council	No incidents were encountered which requires the submission of insurance claims.
			Ensure representation of department on all SCM Committees and implementation of SCM policy in department	Report to Council	Corporate Services are represented on all bid committees. All meetings of the Bid Evaluation Committee were attended and minutes were provided on recommendations to the Bid Adjudication Committee.

	Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report	All documentation on procurement and disposal of assets are available and safeguarded by the Supply Chain Management Section.
		Budget and IDP Preparation	Draft and submit Budget and IDP Time Table	Report to Council	Draft budget and IDP time table has been completed and approved by Council.
			Develop a Service Delivery and Budget Implementation Plan (SDBIP)	Report to Council	The 2012/13 SDBIP has been drafted and has been approved.
		Budget Control & monitoring	Compile and implement a Supplementary valuation Roll	Proof of implementation	Supplementary Valuation Roll has been prepared for the 2011/12 financial year. Notices were placed in the local media and Provincial Gazette and posted to individual owners. Eleven objections were received were rejected by the Municipal Valuer. All objections were dismissed by the Municipal Valuer and same have been implemented on 1 April 2012. Accounts based on the new valuations have been served on owners.
		Debtors management	Annual review and implementation of approved credit control and debt collection policy	Report to Council	An annual review of all budget related policies has been done and submitted with the draft budget in March 2012. The policies were approved by Council on 31 May 2012.
		Budget and IDP Preparation	Draft and submit departmental budget needs	Quarterly report to Council	Budget needs for 2012/13 has been prepared and availed to the Budget and Treasury Office in March 2012
			Monitor Service Delivery and Budget Implementation Plan (SDBIP)	Quarterly report to Council	Monitoring of the SDBIP is being done on a monthly basis
			Submission of budget control - overspending not to be in excess of 5%	Quarterly report	All expenditure votes are within the prescribed limit
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	Draft quarterly newsletter on Community Services matters and current issues within the municipality	Proof of information leaflet	Two newsletters have been drafted for the 2011/12 financial year. No inputs from managers could be derived for compilation of the other two quarterly newsletters. Various notices were issued to the inhabitants on service delivery problems were done to inform the inhabitants of service delivery problems. A system of e-mail notification has been used to convey urgent notices to the public.
			Attend quarterly Council Meets the People meetings	Minutes approved by Council	Two Council meets the People have been attended

			Attend budget and IDP consultative meetings	Attendance register and minutes	All budget and IDP consultative meetings scheduled for third and fourth quarter have been attended. Minutes were kept and attendance register filled out.
			Attend Local IGR meetings	Quarterly report to Council	No local IGR meetings scheduled during period in overview
		Management of complaints and community feedback	Ensure registration and handling of service delivery complaints	Quarterly report to Council	All service delivery complaints have been given through to the Credit Control and Customer Care Officer in the Finance department.
			Give instant feedback to community members on disruption of services	Approval by Council	A system is in place to give through incurrences of service delivery disruptions. The data base is currently not completed because the initiative to obtain numbers has not been a great success. Service delivery problems are currently given through to inhabitants by means of hand delivered notices and e-mail.

5. VALUATION OF PROPERTIES UNDER THE PROPERTY RATES ACT.

5.1 The Section: Council Support Services has completed all the legal requirements to implement the Supplementary Valuation Roll to correct all omissions and properties incorrectly valued, new building developments, additions, newly registered erven, sub-divisions, consolidations and re-zoned properties. The new valuations have been captured on the financial system and accounts based on the new valuations were rendered as from 1 April 2012.

5.2 The municipality's General Valuation Roll was implemented on 1 July 2009 and would last for four years which would end on 30 June 2013. Due to the high cost of doing a new General Valuation Roll, the MEC for Coghsta was requested, as provided for in Section 32(2)(b) of the Local Government: Property Rates Act, 2004, (Act 6 of 2004), to extend the validity of the General Valuation Roll for another year. The new General Valuation Roll will be compiled, ready for implementation on 1 July 2014.

6. SUPPLY CHAIN MANAGEMENT

6.1 Advertisements were drafted and advertised for the procurement of goods and services which must in terms of the policy and the MFMA is subject to competitive bidding. Advertisements drafted by other departments were scrutinized for conformity and adherence to the MFMA, Preferential Procurement Act and Regulations promulgated under the Act and the Supply Chain Management Policy of Council.

6.2 All Bid Committee meetings have been attended as scheduled.

7. CORRESPONDENCE

All correspondence referred to the department by the Municipal Manager were attended to.

8. SUBMISSIONS WRITTEN TO COUNCIL / PORTFOLIO COMMITTEE

The following submissions were drafted for Council:

- Delegation of Powers: MFMA

- Salary and Wage Increases
- Revision of Organogram
- Increase of Councillor Remuneration
- Schedule of Council Meetings
- Closure of Offices
- Annual Planner;
- Public input on 2012/13 budget;
- Adjustments budget: 201/11;
- Submission of Draft 2012/13 budget;
- Revision of Budget related Policies;
- Recruitment of Municipal Manager;
- Appointment of an Acting Municipal Manager;
- Establishment of a Municipal Accounts Committee;
- Submission of Oversight Report;
- Registering of Servitude: Mainstream Renewable Energy;
- Re-establishment of Project Steering Committee;
- Acquisition of Land: traditional Healers;
- Alienation of Tennis Clubhouse;
- Extension of General valuation Roll
- Review of Organogram;
- Population of Council Committees;
- Strategic Planning and Population of Committees;
- Establishment of Ward Committees;
- Delimitation of Municipal Boundaries;
- Working Groups: SALGA;
- 100 Days report;
- Appointment of Candidates: Vacant posts;
- Local Government Turn Around Strategy;
- Ouboks In Situ Upgrading Project;
- Establishment of Interviewing Panel: Section 57 Employees;
- Salary and Wage Increase: Collective Agreement;
- Introduction of new Policies;

9. *MEETINGS ATTENDED*

9.1 The following meetings were attended with the purpose to keep minutes:

- Management meetings;
- Local Labour Forum meetings;
- Special Council meetings;
- Quarterly Council meetings;
- Portfolio Committee meetings;
- Shared Services: Performance Plans;
- Consultation: High Court Case: Piet van Wyk//Umsobomvu Municipality;
- Bid Evaluation meetings;
- Arbitration meetings;
- Public Hearing on Oversight Report.

10. GENERAL WORK

- Contract were drafted for various leases;
- Contracts were drafted for casual workers and permanent employees;

11. OVERSIGHT REPORT

11.1 For the first time since the requirement to draft and submit an Oversight Report, the Council has for the 2009/10 financial year submitted an Oversight Report

11.2 The 2010/11 Annual Report has been submitted to Council on 31 January 2012 and Council should no later than two months from the date of tabling, consider the Annual Report and adopt an Oversight Report.

11.3 The Annual Report has been made public immediately after it was tabled and the public invited to submit representations. At closure of the time frame allowed for submissions, no input has been received from the public.

11.4 With the submission of the 2010/11 Annual Report, the Audit Report of the Auditor General has not been included in the report due to the fact that the report was not ready for submission, thus the time frame provided for in the applicable legislation could not be met as the Audit Report was only submitted on 12 April 2012 to Council.

11.5 To facilitate consideration of the Annual Report in its entirety the Council should obtain the views of the Audit Committee, which is charged with providing Council with, among other matters as prescribed, an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, performance management and the level of compliance with the MFMA, Division of Revenue Act (DORA) and other relevant legislation.

11.6 In order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

11.7 Should the Council have reservations on any matter in the report then these reservations should be outlined in the Oversight Report and the executive and administration should address these as determined by Council. A conclusion that the report is approved without reservations is the preferred outcome from the process. However, this conclusion should not be an outcome of only cursory examination of the report but should be as a result of a rigorous analysis by Councillors with inputs from the public and other stakeholders.

11.8 To enable the Oversight Committee to draft and submit an Oversight Report to Council, the Committee, comprising of three Councillors and a member of the community, was assisted by the Council Support Section to fully understand their role and mandate received from Council. To this effect, a training session was presented to the Committee and they have been given all documents needed to compile an Oversight Report.

11.9 The Committee, apart from the official notices published in the local newspaper, on the official notice boards and availed in all libraries and offices, held public hearings to solicit public input. These meetings were held in Noupoort, Colesberg and Norvalspont. The meetings were of very little assistance as the public fails to understand their role with regard to public input on the Annual Report. Various attempts were made to facilitate the responses required from the public, but to no avail.

11.10 At a meeting held on 31 May 2012, the Oversight Report was submitted to Council and same approved the report without reservations.

11.11 Following the approval of the Oversight report, the report was advertised and a copy thereof was provided to Cogsta, the Auditor General and National and Provincial Treasury.

12. EXECUTION OF COUNCIL RESOLUTIONS

STATUS OF EXECUTION OF COUNCIL RESOLUTIONS: DEPARTMENT: CORPORATE SERVICES			
COUNCIL RESOLUTION NR.	COUNCIL RESOLUTION DESCRIPTION	STATUS	REASON FOR NOT BEING EXECUTED AND OR ACTIONS TAKEN
21/08/2011	Revision of Organogram: 2011/12 Financial Year and Filling of Critical Posts	Executed	
22/08/2011	Application for the Rezoning of Erf 458, Situated at 21D'UrbanRow, Colesberg: Hantam Community Education Trust	Executed	
23/08/2011	Application for the Alienation of Erven 583 and 584, Kuyasa, Colesberg: Mr. W.N. Booi	Executed	
24/08/2011	Population of Council Committees	Executed	
25/08/2011	Delimitation of Municipal Boundaries Process Plan	Executed	
30/08/2011	Working Groups Representation: SALGA	Executed	
	Campaign for the Development of an Institution of Higher Learning in Umsobomvu	Executed	
33/11/2011	Amendment of 2011/12 Organogram	Executed	
34/11/2011	Working Groups Representation: SALGA	Executed	
35/11/2011	IDP Process Plan	Executed	
36/11/2011	Introduction of Policies: Mayoral Vehicle, Commonage Land Allocation; Brickmaking Land Allocation	Executed	
38/11/2011	Establishment of a Municipal Accounts Committee	Executed	
42/11/2011	Draft Logo: Umsobomvu Municipality	Executed	
43/11/2011	Interviewing Panel: Municipal Manager and Section 56 Managers	Executed	
44/11/2011	Ouboks Housing Project	Executed	

46/12/2011	Closure of Offices	Executed	
47/12/2011	Annual Planner	Executed	
48/12/2011	Adoption of Municipal Support Plan: MFIP	Executed	
49/12/2011	Delimitation of Municipal Boundaries	Executed	
54/02/2012	Address memo to all drivers of municipal vehicles stating the provision of the policy prohibiting the transportation of private individuals in municipal vehicles;	Executed	
54/02/2012	Investigation be conducted in Noupoort to identify suitable land for the development of cemeteries	Executed	
55/02/2012	Alienation of Business Erven: Ouboks ISUP	Executed	
56/02/2012	Alienation and Subdivision of Erf 675, Colesberg: Ncedisizwe Traditional Healers Association	Executed	
57/02/2012	Permanent Access from Industrial Erf 835 to Industrial Erven 1049 over Council's Erf 833	Executed	
58/02/2012	Extension of Validity: General Valuation Roll: 2009-13 to 2014	Executed	
60/02/2012	Appointment of Candidates: General Workers and Library Assistant (Drafting and signing of contract and letter of appointment)	Executed	
61/02/2012	Recruitment: Municipal Manager	Executed	
62/02/2012	Adjustments Budget 2011/2012 (Advertising of Adjustments Budget)	Executed	
63/03/2012	Draft Reviewed IDP: 2012/13 (Advertising of Draft IDP)	Executed	
64/03/2012	Draft Budget: 2012/12 (Advertising of Draft Budget)	Executed	
65/03/2012	Budget Related Policies (Advertising of Reviewed Policies)	Executed	
30/08/2011	Application for the upgrading of the Colesberg Tennis Club	Executed	
54/02/2012	Investigation be conducted in Noupoort to identify suitable land for the development of cemeteries	Executed	
55/02/2012	Alienation of Business Erven: Ouboks ISUP		In process

56/02/2012	Alienation and Subdivision of Erf 675, Colesberg: Ncedisizwe Traditional Healers Association	Executed	
57/02/2012	Permanent Access from Industrial Erf 835 to Industrial Erven 1049 over Council's Erf 833	Executed	
60/02/2012	Appointment of Candidates: Chief Clerk, Manager Mayor's Office, Pa Mayor and Traffic Officer (Drafting and signing of contract and letter of appointment)	Executed	
61/02/2012	Recruitment: Municipal Manager	Not Executed	Long list currently compiled
66/05/2012	Advertising of Audit Report	Executed	
68/05/2012	Registering of Servitude: SA Mainstream Renewable Power	Executed	
73/05/2012	Oversight Report	Executed	
78/05/2012	Framework of Delegations: MFMA	Executed	
86/06/2012	Revision of Organogram	Executed	
87/06/2012	Establishment of MPAC	Executed	
88/06/2012	Appointment of Acting Municipal Manager	Executed	

UMSOBOMVU

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COLESBERG - NOUPOORT - NORVALSPONT

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ANNUAL REPORT 2011 / 2012

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

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CHAPTER 2

AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

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CHAPTER 3

FUNCTIONAL AREA SERVICE DELIVERY REPORTING

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AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

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UMSOBOMVU LOCAL MUNICIPALITY
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for the year ended 30 June 2012

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UMSOBOMVU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2012

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

It gives me great pleasure to present the financial position of Umsobomvu Local Municipality at 30 June 2012 and the results of its operations and cash flows for the year then ended.

These Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2011/2012 financial period is set out in Directive 5 issued by the ASB on 11 March 2009.

The Statement of Financial Position at 30 June 2012 indicates an increase in Net Assets, and an increase in both Non-current Liabilities and Current Liabilities.

The increase in Net Assets is ascribed primarily to the increase in Accumulated Surplus as a result of the surplus generated on the operating account. The increase in Non-current Liabilities is primarily as a result of the increases in Retirement Benefit Liabilities and Long-service Benefits. The increase in Current Liabilities is primarily as a result of the increase in Creditors and Unspent Conditional Grants.

2. KEY FINANCIAL INDICATORS

The following indicators are self-explanatory. The percentages of expenditure categories are well within acceptable norms and indicate good governance of the funds of the municipality.

Financial Statement Ratios:

INDICATOR	2012	2011
Surplus / (Deficit) before Appropriations	24,753,622	2,923,759
Surplus / (Deficit) at the end of the Year	458,561,482	433,807,860
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	25.93%	25.95%
Remuneration of Councillors	2.30%	2.30%
Collection Costs	0.00%	0.00%
Depreciation and Amortisation	26.72%	27.69%
Impairment Losses	1.93%	6.23%
Repairs and Maintenance	2.30%	2.52%
Interest Paid	0.12%	0.21%
Bulk Purchases	13.44%	11.41%
Contracted Services	3.42%	4.56%
Grants and Subsidies Paid	0.00%	0.00%
General Expenses	23.46%	19.14%
Current Ratio:		
Creditors Days	45	23
Debtors Days	203	148

REPORT OF THE CHIEF FINANCIAL OFFICER

3. OPERATING RESULTS

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with an explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

The services offered by Umsobomvu Local Municipality can generally be classified as Rates and General, Economic and Trading Services and are discussed in more detail below.

The overall operating results for the year ended 30 June 2012 are as follows:

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	433,614,516	329,101,504	31.76	-	100.00
Operating income for the year	129,695,503	99,431,645	30.44	72,988,205	77.69
Appropriations for the year	-	-	-	-	-
	563,310,019	428,533,149	31.45	72,988,205	671.78
Expenditure:					
Operating expenditure for the year	104,941,881	96,507,886	8.74	72,986,654	43.78
Sundry transfers	-	(101,589,253)	(100.00)	-	-
Closing surplus / (deficit)	458,368,138	433,614,516	5.71	1,551	29,552,971.45
	563,310,019	428,533,149	31.45	72,988,205	671.78

3.1 Rates and General Services:

Rates and General Services are all types of services rendered by the municipality, excluding those listed below. The main income sources are Assessment Rates and Sundry Fees levied.

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income	40,943,120	54,571,297	(24.97)	37,229,182	9.98
Expenditure	57,186,600	35,266,365	62.16	41,483,696	37.85
Surplus / (Deficit)	(16,243,480)	19,304,932	(184.14)	(4,254,514)	281.79
Surplus / (Deficit) as % of total income	(39.67)%	35.38%		(11.43)%	

3.2 Housing Services:

Housing Services are services rendered by the municipality to supply housing to the community and includes the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income	3,080,688	1,619,834	90.19	-	100.00
Expenditure	2,076,733	2,003,998	3.63	423,660	390.19
Surplus / (Deficit)	1,003,955	(384,164)	(361.34)	(423,660)	(336.97)
Surplus / (Deficit) as % of total income	32.59%	(23.72)%		(100.00)%	

3. OPERATING RESULTS (continued)

3.3 Waste Management Services:

Waste Management Services are services rendered by the municipality for the collection, disposal and purifying of waste (refuse and sewerage). Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income	27,179,920	9,184,994	195.92	10,177,026	167.07
Expenditure	8,051,804	34,181,682	(76.44)	8,308,734	(3.09)
Surplus / (Deficit)	19,128,116	(24,996,688)	(176.52)	1,868,292	923.83
Surplus / (Deficit) as % of total income	70.38%	(272.15)%		18.36%	

3.4 Electricity Services:

Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R13,845,436 (2011: R10,810,525). Tariffs levied for electricity are subject to administered adjustments.

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income	19,933,185	14,408,299	38.35	18,485,173	7.83
Expenditure	18,062,443	18,193,980	(0.72)	16,079,427	12.33
Surplus / (Deficit)	1,870,742	(3,785,681)	(149.42)	2,405,746	(22.24)
Surplus / (Deficit) as % of total income	9.39%	(26.27)%		13.01%	

3.5 Water Services:

Water is bought in bulk from Lepelle Northern Water and "Uitloop Water Beleggings" and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R255,364 (2011: R200,488). Tariffs levied for water are subject to administered adjustments.

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Income	38,558,590	19,647,222	96.25	7,096,824	443.32
Expenditure	19,564,301	6,861,862	185.12	6,691,137	192.39
Surplus / (Deficit)	18,994,289	12,785,360	48.56	405,687	4,582.01
Surplus / (Deficit) as % of total income	49.26%	65.07%		5.72%	

REPORT OF THE CHIEF FINANCIAL OFFICER

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Assets during the year amounted to R44,960,188 (2010/11: R27,338,954). Full details of Assets are disclosed in Notes 7, 8 and Appendices "B, C and E (2)" to the Annual Financial Statements.

The capital expenditure of R44,960,188 was financed as follows:

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ budgeted %
Grants and Subsidies	45,033,406	1,035,278	4,249.88	85,000,000	(47.02)
	45,033,406	1,035,278	4,249.88	85,000,000	(47.02)

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2012	2011
Grants and Subsidies	100.00%	100.00%
	100.00%	100.00%

5. RECONCILIATION OF BUDGET TO ACTUAL

5.1 Operating Budget:

DETAILS	2012	2011
Variance per Category:		
Budgeted surplus before appropriations	1,551	22,929,775
Revenue variances	56,707,298	10,301,055
Expenditure variances:		
Employee Related Costs	470,009	(627,882)
Remuneration of Councillors	(225,722)	239,363
Depreciation and Amortisation	(26,902,001)	(26,720,777)
Impairment Losses	1,672,948	(907,733)
Repairs and Maintenance	(71,790)	(2,428,633)
Interest Paid	939,711	1,369,531
Bulk Purchases	(702,951)	(391,793)
Contracted Services	(747,523)	(3,731,688)
General Expenses	(5,980,868)	2,892,541
Loss on disposal of Property, Plant and Equipment	(407,042)	-
Actual surplus before appropriations	24,753,622	2,923,759

5. RECONCILIATION OF BUDGET TO ACTUAL (continued)

DETAILS	2012	2011
Variance per Service Segment:		
Budgeted surplus before appropriations	1,551	22,929,775
Executive and Council	222,113	(1,352,042)
Finance and Administration	(3,709,112)	19,271,069
Planning and Development	(5,112,413)	(2,594,906)
LED and IDP	(22,241)	-
Community and Social Services	(3,542,052)	(400,999)
Housing	1,427,615	(9,246)
Public Safety	140,252	1,792,534
Sport and Recreation	34,487	72,261
Waste Management	17,259,824	(26,260,071)
Water	18,588,602	(6,846,690)
Electricity	(535,004)	(9,538,964)
Actual surplus before appropriations	24,753,622	2,923,759

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with a criptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

5.2 Capital Budget:

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Variance actual 2011/12 / 2010/11 R	Budgeted 2011/12 R	Variance actual/ budgeted R
Executive and Council	476,731	-	476,731	409,000	67,731
Finance and Administration	117,003	-	117,003	-	117,003
Planning and Development	55,309	-	55,309	-	55,309
Health	-	-	-	-	-
Community and Social Services	365,234	-	365,234	-	365,234
Housing	-	-	-	-	-
Public Safety	-	22,572	(22,572)	-	-
Sport and Recreation	-	-	-	-	-
Environmental Protection	-	-	-	-	-
Waste Management	218,155	-	218,155	2,000,000	(1,781,845)
Roads and Transport	13,433,032	-	13,433,032	400,000	13,033,032
Water	2,398,036	27,432,198	(25,034,163)	46,519,750	(44,121,714)
Electricity	27,805,607	63,493	27,742,113	21,170,000	6,635,607
Other	-	-	-	-	-
	44,869,107	27,518,264	17,350,843	70,498,750	(25,629,643)

6. ACCUMULATED SURPLUS

The balance of the Accumulated Surplus as at 30 June 2012 amounted to R458,561,482 (30 June 2011: R433,807,860) and is made up as follows:

Capital Replacement Reserve	193,344
Accumulated Surplus	458,368,138
	458,561,482

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability of cash, is made annually to the reserve.

The Capitalisation Reserve is utilised to offset the cost of depreciation of assets funded from Internal Advances (not applicable anymore) over the lifespan of such assets.

The municipality, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

Refer to Note 18 and the Statement of Change in Net Assets for more detail.

7. LONG-TERM LIABILITIES

The outstanding amount of Long-term Liabilities as at 30 June 2012 was R294,563 (30 June 2011: R546,014).

Refer to Note 15 and Appendix "A" for more detail.

8. RETIREMENT BENEFIT LIABILITIES

The outstanding amount of Retirement Benefit Liabilities as at 30 June 2012 was R6,980,619 (30 June 2011: R6,780,550).

This liability is in respect of continued Health Care Benefits for employees of the municipality after retirement being members of schemes providing for such benefits. This liability is unfunded.

Refer to Note 16 for more detail.

9. NON-CURRENT PROVISIONS

Non-current Provisions amounted R13,148,710 as at 30 June 2012 (30 June 2011: R11,954,736) and is made up as follows:

Provision for Long-term Service	1,050,699
Provision for Rehabilitation of Land-fill Sites	12,098,011
	13,148,710

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 17 for more detail.

10. CURRENT LIABILITIES

Current Liabilities amounted R43,695,795 as at 30 June 2012 (30 June 2011: R16,399,964) and is made up as follows:

Consumer Deposits	Note 11	606,488
Payables	Note 12	12,873,461
Unspent Conditional Grants and Receipts	Note 13	29,358,920
VAT	Note 14	605,356
Current Portion of Long-term Liabilities	Note 15	251,569
		43,695,795

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

11. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R464,102,293 as at 30 June 2012 (30 June 2011: R447,658,558).

Refer to Note 7 and Appendices "B, C and E (1)" for more detail.

12. INTANGIBLE ASSETS

The net value of Intangible Assets were R255,970 as at 30 June 2012 (30 June 2011: R415,278).

These are assets which cannot physically be identified and verified and are in respect of computer software obtained by the municipality in order to be able to fulfil its duties as far as service delivery is concerned.

Refer to Note 8 and Appendix "B" for more detail.

13. INVESTMENT PROPERTIES

The net value of Investment Properties were R1,654,811 as at 30 June 2012 (30 June 2011: R238,159).

Refer to Note 9 and Appendix "B" for more detail.

14. CURRENT ASSETS

Current Assets amounted R56,668,094 as at 30 June 2012 (30 June 2011: R21,177,130) and is made up as follows:

Inventories	Note 2	381,728
Receivables from Exchange Transactions	Note 3	21,832,213
Receivables from Non-exchange Transactions	Note 4	2,459,193
Cash and Cash Equivalents	Note 5	31,994,961
		56,668,094

The increase in the amount for Current Assets is mainly due to the increased amount held in Bank and Cash Equivalents.

Refer to the indicated Notes for more detail.

17. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 13 and 20, and Appendix "F" for more detail.

18. EVENTS AFTER THE REPORTING DATE

Full details of all known events, if any, after the reporting date are disclosed in Note 50.

19. EXPRESSION OF APPRECIATION

We are grateful to the Mayor, members of the Executive Committee, Councillors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

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CHIEF FINANCIAL OFFICER

30 August 2012

UMSOBOMVU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

Budget				Actual	
2012 Original	2012 Adjusted		Note	2012	2011
R	R			R	R
		ASSETS			
32,500,000	**40,318,817**	**Current Assets**		**56,668,094**	**21,177,130**
-	37,899	Inventories	2	381,728	408,199
29,000,000	21,650,237	Receivables from Exchange Transactions	3	21,832,213	13,696,623
-	1,412,320	Receivables from Non-exchange Transactions	4	2,459,193	3,970,983
		VAT Receivable	14	-	1,591,613
3,500,000	17,214,845	Cash and Cash Equivalents	5	31,994,961	1,506,197
-	3,516	Current Portion of Long-term Receivables	6	-	3,516
185,000,000	**350,778,203**	**Non-Current Assets**		**466,013,074**	**448,311,995**
185,000,000	350,773,103	Property, Plant and Equipment	7	464,102,293	447,658,558
-	5,100	Intangible Assets	8	255,970	415,278
-	-	Investment Property	9	1,654,811	238,159
217,500,000	**391,097,020**	**Total Assets**		**522,681,168**	**469,489,125**
		LIABILITIES			
4,150,000	**40,823,684**	**Current Liabilities**		**43,695,795**	**16,399,964**
-	-	Consumer Deposits	11	606,488	556,479
2,750,000	40,823,684	Payables	12	12,873,461	6,031,271
-	-	Unspent Conditional Grants and Receipts	13	29,358,920	8,481,275
-	-	VAT Payable	14	605,356	-
1,400,000	-	Current Portion of Long-term Liabilities	15	251,569	1,330,938
12,971,000	**13,785,124**	**Non-Current Liabilities**		**20,423,892**	**19,281,301**
5,621,000	(670,032)	Long-term Liabilities	15	294,563	546,014
-	-	Retirement Benefit Liabilities	16	6,980,619	6,780,550
7,350,000	14,455,156	Non-current Provisions	17	13,148,710	11,954,736
17,121,000	**54,608,808**	**Total Liabilities**		**64,119,686**	**35,681,265**
200,379,000	**336,488,212**	**Total Assets and Liabilities**		**458,561,482**	**433,807,860**
200,379,000	**336,488,212**	**NET ASSETS**		**458,561,482**	**433,807,860**
200,379,000	336,488,212	Accumulated Surplus / (Deficit)	18	458,561,482	433,807,860
200,379,000	**336,488,212**	**Total Net Assets**		**458,561,482**	**433,807,860**

UMSOBOMVU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

	Budget				Actual	
2011	2012 Original	2012 Adjusted		Note	2012	2011
R	R	R			R	R
			REVENUE			
			Revenue from Non-exchange Transactions			
3,631,260	3,726,648	3,915,530	Property Rates	19	4,145,836	3,812,317
654,504	20,000	358,934	Property Rates - Penalties imposed and collection charges	23	284,987	558,582
2,008,281	2,103,900	1,877,040	Fines		5,364,720	1,312,853
268,450	283,171	248,230	Licences and Permits		435,146	373,256
49,356,478	29,445,250	29,445,250	Government Grants and Subsidies Received	20	75,234,791	57,434,590
			Revenue from Exchange Transactions			
31,644,855	35,452,951	35,416,141	Service Charges	21	35,052,648	30,077,689
37,962	100,538	138,112	Rental of Facilities and Equipment	22	379,062	407,712
34,000	50,929	18,395	Interest Earned - External Investments	23	419,278	55,847
1,494,800	942,836	1,405,503	Interest Earned - Outstanding Debtors	23	1,431,320	1,258,321
-	110,776	165,070	Other Income	24	5,531,064	4,140,478
-	-	-	Other Gains and Losses	33	1,416,652	-
89,130,590	**72,236,999**	**72,988,205**	**Total Revenue**		**129,695,503**	**99,431,645**
			EXPENDITURE			
24,413,237	27,344,343	27,679,125	Employee Related Costs	25	27,209,116	25,041,119
2,457,040	2,634,268	2,187,344	Remuneration of Councillors	26	2,413,066	2,217,677
-	1,136,802	1,136,802	Depreciation and Amortisation	27	28,038,803	26,720,777
5,100,172	3,731,312	3,693,973	Impairment Losses	28	2,021,025	6,007,905
-	2,392,800	2,346,091	Repairs and Maintenance		2,417,881	2,428,633
1,572,328	1,066,732	1,066,732	Finance Costs	29	127,021	202,797
10,619,220	13,397,849	13,397,849	Bulk Purchases	30	14,100,800	11,011,013
673,000	2,894,500	2,842,000	Contracted Services	31	3,589,523	4,404,688
21,365,818	17,638,393	18,636,738	General Expenses	32	24,617,606	18,473,277
-	-	-	Loss on Disposal of Property, Plant and Equipment		407,042	-
66,200,815	**72,236,999**	**72,986,654**	**Total Expenditure**		**104,941,881**	**96,507,886**
22,929,775	**-**	**1,551**	**SURPLUS / (DEFICIT) FOR THE YEAR**		**24,753,622**	**2,923,759**

UMSOBOMVU LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

Description	Accumulated Surplus / (Deficit) Account		Total for Accumulated Surplus/(Deficit) Account	Total
	Capital Replacement Reserve	Accumulated Surplus / (Deficit)		
	R	R	R	R
2011				
Balance at 30 June 2010	193,344	329,101,504	329,294,848	329,294,848
Correction of Error (Note 34)	-	101,589,253	101,589,253	101,589,253
Restated Balance	**193,344**	**430,690,757**	**430,884,101**	**430,884,101**
Surplus / (Deficit) for the year		2,923,759	2,923,759	2,923,759
Balance at 30 June 2011	**193,344**	**433,614,516**	**433,807,860**	**433,807,860**
2012				
Restated Balance	**193,344**	**433,614,516**	**433,807,860**	**433,807,860**
Surplus / (Deficit) for the year		24,753,622	24,753,622	24,753,622
Balance at 30 June 2012	**193,344**	**458,368,138**	**458,561,482**	**458,561,482**

UMSOBOMVU LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	Actual 2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Ratepayers, Government and Other		155,875,812	90,474,395
Cash paid to Suppliers and Employees		81,110,687	65,317,439
Cash generated from / (utilised in) Operations		**74,765,126**	**24,941,611**
Interest Received	**23**	2,135,585	1,872,750
Interest Paid	**29**	(127,021)	(202,797)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**76,773,690**	**26,611,564**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**7**	(44,869,107)	(27,335,356)
Purchase of Intangible Assets	**8**	(91,081)	(3,598)
Proceeds on Disposal of Property, Plant and Equipment		2,567	-
Decrease / (Increase) in Long-term Receivables	**10**	3,516	5,720
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(44,954,105)**	**(27,333,235)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings	**15**	(1,330,820)	290,818
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(1,330,820)**	**290,818**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**5**	**30,488,764**	**(430,853)**
Cash and Cash Equivalents at Beginning of Period		1,506,197	1,937,050
Cash and Cash Equivalents at End of Period		31,994,961	1,506,197

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

1. 1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Accounting Policies have been consistently applied, except where otherwise indicated below:

For the years ended 30 June 2011 and 30 June 2012 the municipality has adopted the accounting framework as set out in point 1 above. The details of any resulting changes in accounting policy and comparative restatements are set out below.

The municipality changes an accounting policy only if the following instances:
(a) is required by a Standard of GRAP; or
(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

1. 2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

In the application of the municipality's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1. 2. 1 Revenue Recognition

Accounting Policy 10.2 on *Revenue from Exchange Transactions* and Accounting Policy 10.3 on *Revenue from Non-exchange Transactions* describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GAMAP 9: Revenue, as far as Revenue from Non-Exchange Transactions is concerned (see Basis of Preparation above). In particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1. 2. 2 Financial Assets and Liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. Accounting Policy 6.1 on *Financial Assets Classification* and Accounting Policy 6.2 on *Financial Liabilities Classification* describe the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

1. BASIS OF PRESENTATION (continued)

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in IAS 32: *Financial Instruments - Presentation* and IAS 39: *Financial Instruments - Recognition and Measurement*.

1. 2. 3 Impairment of Financial Assets

Accounting Policy 6.4 on *Impairment of Financial Assets* describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: *Financial Instruments - Recognition and Measurement*, and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors. The total decrease in estimation of the impairment of trade and other receivables from exchange transactions amounted to R305 619 and a increase of trade and other receivable from non exchange transactions to R 1 866 696.

1. 2. 4 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 3.3, 4 and 5 the municipality depreciates / amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.
The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1. 2. 5 Impairment: Write down of Property, Plant and Equipment and Inventories

Accounting Policy 3.9 on *PPE - Impairment of Assets* and Accounting Policy 4.2 on *Intangible Assets - Subsequent Measurement, Amortisation and Impairment* and Accounting Policy 8.2 on *Inventory - Subsequent measurement* describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to PPE impairment testing, Intangible assets impairment testing and write down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets. In particular, the calculation of the recoverable service amount for PPE and intangible assets and the NRV for inventories involves significant judgment by management. During the year the estimated impairments to Property plant and equipment amounted to R227 349, whilst no impairments were made to intangible assets or inventory.

1. 2. 6 Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Refer to Note 9 of the accounting policy notes to the Annual Financial Statements.

1. BASIS OF PRESENTATION (continued)

1. 2. 7 Defined Benefit Plan Liabilities

As described in Accounting Policy 13, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes 5 and 6 to the Annual Financial Statements.

1. 2. 8 Provisions and Contingent Liabilities

Provision for Rehabilitation of Refuse Landfill Sites
The Municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the net present value of cost. The cost factors as determined have been applied and projected at an inflation rate of 5% (2010: 5.5%) and discounted to the present value:
a) For landfill sites with a remaining operating life of less than 5 years, at the average short term borrowing cost of 11.14% (2010: 11.3475%).
b) For landfill sites with a remaining operating life of greater than 5 years, at the average long-term treasury bond rate 4.09% (2010: 11.3475%).

1. 2. 9 Budget information

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists. All material differences are explained in the notes to the annual financial statements.

1. 3 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand, which is the municipality's functional currency.

1. 4 GOING CONCERN ASSUMPTION

The Annual Financial Statements have been prepared on a going concern basis.

1. 5 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1. 6 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005
GRAP 20 Related Party Disclosures (Revised)
GRAP 21 Impairment of Non-cash-generating Assets - issued March 2009
GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
GRAP 25 Employee Benefits - issued December 2009
GRAP 26 Impairment of Cash-generating Assets - issued March 2009
GRAP 103 Heritage Assets - issued July 2008
GRAP 104 Financial Instruments - issued October 2009
GRAP 105 Transfers between entities under common control - issued November 2010
GRAP 106 Transfers between entities not under common control - issued November 2010
GRAP 107 Mergers - issued November 2010

1. BASIS OF PRESENTATION (continued)

The Minister of Finance announced that the application of GRAP 21, GRAP 23, GRAP 24, GRAP 26, GRAP 103 and GRAP 104 will be effective for period starting after 1 April 2012. All other standards as listed above will only be effective when a date is announced by the Minister of Finance.

The ASB Directive 5 paragraph 29 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in he standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

The Municipality applied the principles established in the following Standards of GRAP that have been issued, but is not yet in effect, in developing an appropriate accounting policies dealing with the following transactions, but have not early adopted these Standards:

Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)
Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)
Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)
Financial Instruments (GRAP 104 Financial Instruments - October 2009)

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

2. ACCUMULATED SURPLUS

Included in the accumulated surplus of the municipality, are the following reserves that are maintained in terms of specific requirements:

2. 1 Other Reserves

The Entity creates and maintains reserves in terms of specific requirements.

2. 1. 1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of delegated powers.
The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the investment policy of the Entity.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.
- If a profit is made on the sale of assets other than land, the profit on these assets is reflected in the Statement of Financial Performance, and is then transferred via the Statement of Changes in Net Assets to the CRR, provided that it is cash backed.

Profit on the sale of land is not transferred to the CRR, as it is regarded as revenue.

3. PROPERTY, PLANT AND EQUIPMENT

3. 1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plan and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

3. 2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, excluding land and building and including for Infrastructure Assets, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Infrastructure assets are stated at the depreciated replacement cost.
Subsequent to initial recognition, land and buildings are carried at a revalue amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalue amount of the asset.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Previously, land and buildings were carried at cost less accumulated depreciation and impairment losses. These changes are recorded as a change in accounting policy in the Statement of Financial Performance.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.
A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.
When revalue assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

3. 3 Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalue amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

	Years		Years
Infrastructure		***Buildings***	20 - 25
Roads and Paving	5 - 80		
Electricity	10 - 50	***Other***	
Water	10 - 50	Specialist Vehicles	1 - 5
Sewerage	7 - 50	Other Vehicles	1 - 5
Landfill Sites	25	Office Equipment	3 - 7
		Furniture and Fittings	7 - 10
Community		Plant and Equipment	2 - 10
Recreational Facilities	20 - 25		

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

3. 4 Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

3. 5 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3. 6 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

3. 7 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

3. 9 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

Transitional provisions

The estimated useful lives and depreciation methods have been reviewed for the year ended 30 June 2012 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3.

4. INTANGIBLE ASSETS

4. 1 Initial Recognition

Identifiable non–monetary assets without physical substance are classified and recognised as intangible assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years. Development assets are tested for impairment annually, in accordance with GRAP 21 / GRAP 26.

4. INTANGIBLE ASSETS (continued)

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

4. 2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, an intangible asset are carried at its cost less any accumulated amortisation and any accumulated impairment losses.

After initial recognition, intangible assets are carried at a revalue amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. If the intangible asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to the revaluation surplus.

However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same intangible asset previously recognised in surplus or deficit.

Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Amortisation is charged on a straight-line basis over the intangible assets' useful lives (when the intangible asset is available for use), which are estimated to be between 3 to 5 years, the residual value of assets with finite useful lives is zero, unless an active market exists. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, however such intangible assets are subject to an annual impairment test. The useful lives per category of intangible assets are detailed below:

	Years
Intangible asset	
Software	3

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

4. 3 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4. 4 Transitional provisions

Intangible assets recognised in terms of GRAP 102 have been presented for the financial year ended 30 June 2012 (and retrospectively where practicable) in accordance with the requirements of GRAP 102, GRAP 3.

5. INVESTMENT PROPERTY

5. 1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- A building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality); and
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or Non-Current Assets Held for Sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is being constructed or developed for future use as investment property;
- Property that is leased to another entity under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc.; and
- Property held for strategic purposes or service delivery.

5. 2 Subsequent Measurement - Fair Value Model

Investment property is measured using the fair value model. Investment property is carried at fair value, representing open market value determined by external valuers at the date of the last general valuation (30 June 2012). Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

5. INVESTMENT PROPERTY (continued)

5. 3 Derecognition

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

5. 4 Transitional Provisions

Investment properties recognised in terms of GRAP 16 have been presented for the financial year ended 30 June 2012 (and retrospectively where practicable) in accordance with the requirements of GRAP 16, GRAP 3.

6. IMPAIRMENT OF ASSETS

The entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

6. 1 Impairment of Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.
The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arms length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset"
The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.
An impairment of assets carried at revalue amount in reduces the revaluation surplus for that asset. The decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

6. IMPAIRMENT OF ASSETS (continued)

6. 2 Impairment of Non-Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalue asset is treated as a revaluation decrease.

An impairment loss is recognised for non cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:
to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalue asset is treated as a revaluation increase.

6. 3 Transitional provisions

The estimated useful lives and depreciation methods have been reviewed for the year ended 30 June 2012 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3.

7. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual agreement . The municipality only recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

7. FINANCIAL INSTRUMENTS (continued)

7. 1 Financial Assets - Classification

A financial asset is any asset that is a cash or contractual right to receive cash.

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:
Loans and Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

Held-to-Maturity Investments are financial assets with fixed or determinable payments and fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity.

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

Available for sale investments are financial assets that are designated as available for sale or are not classified as:

- Loans and Receivables;
- Held-to-Maturity Investments; or
- Financial assets at fair value through profit and loss

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Asset	Classification in terms of IAS 39.09
Short-term Investment Deposits – Call	Held-to-maturity investments
Bank Balances and Cash	Loans and receivables
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Investments in Fixed Deposits	Held-to-maturity investments

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

7. 2 Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

7. FINANCIAL INSTRUMENTS (continued)

▪ Long-term Liabilities	Other financial liabilities (Financial liabilities measured at amortised cost)
▪ Certain Other Creditors (see note 12)	Other financial liabilities (Financial liabilities measured at amortised cost)
▪ Bank Overdraft	Other financial liabilities (Financial liabilities measured at amortised cost)
▪ Consumer Deposits	Financial liabilities at fair value through profit and loss

There are three main categories of *Financial Liabilities*, the classification determining how they are measured. Financial liabilities may be measured at:

(i) Fair value through profit or loss; or
(ii) Other financial liabilities (Financial liabilities measured at amortised cost)
(iii) Financial guarantee contract

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities are classified as "Other financial liabilities" in accordance with IAS 39.09

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

7. 3 Initial and Subsequent Measurement

7. 3. 1 Financial Assets:

Held-to-maturity Investments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial assets at fair value through profit or loss are initially and subsequently recognised at fair value and changes in fair value recognised directly through profit or loss.

Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis. .

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to Municipality entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as loans and receivables.

Available-for-Sale Financial Assets are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the statement of financial performance.

7. 3. 2 Financial Liabilities:

Financial liabilities

Financial liabilities that are measured at fair value through profit or loss are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

7. FINANCIAL INSTRUMENTS (continued)

Financial Liabilities held at amortised cost

Any other financial liabilities are classified as "Other financial liabilities" (All payables, loans and borrowings are classified as other liabilities) and are initially measured at fair value, net of transaction costs. Trade and other payables, interest bearing debt including finance lease liabilities, non-interest bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the Statement of Financial Performance by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

Financial guarantee contract

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due.

Financial guarantee contract liabilities are initially measured at fair value.
The subsequent measurement of financial guarantee contracts is the higher of the amount determined in accordance with the policy on provisions as set out below, or the amount initially recognised less when appropriate cumulative amortisation.

7. 4 Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in net assets and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in net assets shall be removed and recognised in the Statement of Financial Performance even though the financial asset has not been derecognised.

Financial assets carried at amortised cost

Accounts receivables encompasses long term debtors, consumer debtors and other debtors.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

7. FINANCIAL INSTRUMENTS (continued)

A provision for impairment of accounts receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made in accordance with IAS 39.64 whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets carried at amortised cost with the exception of consumer debtors, where the carrying amount is reduced through the use of an allowance account. When a consumer debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

7. 5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

7. 6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

8. INVENTORIES

8. 1 Initial Recognition

Inventories comprise current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

8. INVENTORIES (continued)

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

8. 2 Subsequent Measurement

Consumable stores, raw materials, work-in-progress and finished goods

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but can not be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, nett of trade discounts and rebates.

Water and purified effluent are valued by using the **(FIFO / weighted average)** method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Redundant and slow-moving inventories

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Transitional provisions

The net realisable value of inventory recognised in terms of GRAP 12 have been disclosed for the financial year ended 30 June 2012 in accordance with the requirements of GRAP 12, GRAP 3.

9. REVENUE RECOGNITION

9. 1 General

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

9. 2 Revenue from Exchange Transactions

9. 2. 1 Service Charges

Service charges relating to solid waste, sanitation and sewage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters are not read monthly, provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

9. REVENUE RECOGNITION (continued)

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

9. 2. 2 Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end based on the average consumption history.

9. 2. 3 Finance income

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in the Statement of Financial Performance:
- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants, if the grant conditions indicate that interest is payable to the funder.

9. 2. 4 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

9. 2. 5 Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

9. 2. 6 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:
- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

9. 2. 7 Rentals

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

9. 2. 8 Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance within the substance of the relevant agreement, where applicable.

9. REVENUE RECOGNITION (continued)

9. 2. 9 Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

9. 3 Revenue from Non-exchange Transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.
A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

9. 3. 1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

9. 3. 2 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected.

9. 3. 3 Public contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

9. 3. 4 Government Grants and receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

9. REVENUE RECOGNITION (continued)

Conditional grants and receipts of a capital nature

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

9. 3. 5 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

10. PROVISIONS

Provisions for environmental restoration, rehabilitation, restructuring costs and legal claims are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

10. PROVISIONS (continued)

Provision for Restructuring cost

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken;
- when the plan will be implemented; and;

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

11. EMPLOYEE BENEFITS

11. 1 Short-term Employee Benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality treats its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

11. 2 Post employment benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post employment plans.

11. 2. 1 Defined Contribution Plans

A **defined contribution plan** is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

11. EMPLOYEE BENEFITS (continued)

11. 3 Defined Benefit Plans

A **defined benefit plan** is a post- employment benefit plan other than a defined contribution plan.

11. 3. 1 Post-retirement Health Care Benefits:

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for using the *"corridor method"*. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

11. 3. 2 Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

11. 3. 3 Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 47 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

11. 3. 4 Defined benefit pension plans

The municipality has an obligation to provide Post-retirement pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The Entity contributes monthly to the funds.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

11. EMPLOYEE BENEFITS (continued)

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

12. LEASES

Lease Classification

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality.

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

12. 1 The Municipality as Lessee

Finance leases

Where the Municipality enters into a finance lease, Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases

The municipality recognises operating lease rentals as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

12. LEASES (continued)

12. 2 The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

12. 3 Determining whether an arrangement contains a lease

At inception of an arrangement, the Municipality determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Municipality the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Municipality separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Municipality's incremental borrowing rate.

13. BORROWING COSTS

The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance for the financial year ending 30 June 2011 in accordance with the requirements of GRAP 5 and ASB Directive 4. To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

The municipality ceases to capitalise borrowing costs when substantially all the activities necessary to prepare the qualifying assets for its intended use has been completed. Where the construction of the qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, the entity shall cease capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part.

14. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

15. VALUE ADDED TAX

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Sec 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

16. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

17. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

18. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

19. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note 35 for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 34 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

20. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

21. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

22. COMPARATIVE INFORMATION

22. 1 Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided to these financial statements and forms part of the Annual Financial Statements.

22. 2 Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

22. 3 Budget Information

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the annual financial statements giving firstly reasons for overall growth or decline in the budget and secondly motivations for over- or under spending on line items. The annual budget figures included in the financial statements are for the Municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated development plan.

23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

24. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

25. CAPITAL COMMITMENTS

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognised in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

	2012 R	2011 R

1 GENERAL INFORMATION

Umsobomvu Local Municipality (the municipality) is a local government institution in Colesberg, Noupoort and Norvalspont, Colesberg, Northern Cape Province, and is one of eight local municipalities under the jurisdiction of the Pixley ka Seme District Municipality. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a low capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2012.

1.1 RECONCILIATION OF BUDGET SURPLUS/DEFICIT WITH THE SURPLUS/DEFICIT IN THE STATEMENT OF FINANCIAL PERFORMANCE

Description		
Net surplus/(deficit) per the statement of financial performance	24,753,622	2,923,759
Revenue from Non-exchange Transactions		
Property Rates	(230,306)	(181,057)
Property Rates - Penalties imposed and collection charges	73,947	95,922
Fines	(3,487,680)	695,428
Licences and Permits	(186,916)	(104,806)
Government Grants and Subsidies Received	(45,789,541)	(8,078,112)
Revenue from Exchange Transactions		
Service Charges	363,493	1,567,166
Rental of Facilities and Equipment	(240,950)	(369,750)
Interest Earned - External Investments	(400,883)	(21,847)
Interest Earned - Outstanding Debtors	(25,817)	236,479
Other Revenue	(5,365,994)	(4,140,478)
Other Losses on Continued Operations	(1,416,652)	-
Expenditure		
Employee Related Costs	(470,009)	627,882
Remuneration of Councillors	225,722	(239,363)
Depreciation and Amortisation	26,902,001	26,720,777
Impairment Losses	(1,672,948)	907,733
Repairs and Maintenance	71,790	2,428,633
Finance Costs	(939,711)	(1,369,531)
Bulk Purchases	702,951	391,793
Contracted Services	747,523	3,731,688
General Expenses	5,980,868	(2,892,541)
Loss on Disposal of Property, Plant and Equipment	407,042	-
Net surplus/deficit per approved budget	1,551	22,929,775

A reconciliation has been prepared between the budgeted surplus/ deficit and the surplus/ deficit in the statement of financial performance or , as the budget has been prepared on the Accrual basis.

2 INVENTORIES

Property Stock	370,300	370,300
Water - at cost	11,428	37,899
Total Inventories	381,728	408,199

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

The cost of water production for the year amounted to R2,40 per kilolitre (2011: R5,58 per kilolitre).

No Inventories have been pledged as collateral for Liabilities of the municipality.

	2012 R	2011 R

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2012			
Service Debtors:	43,411,172	22,038,014	21,373,158
Electricity	4,270,888	1,759,912	2,510,976
Refuse	12,455,064	6,019,427	6,435,637
Sewerage	8,397,920	4,292,024	4,105,896
Water	18,287,299	9,966,651	8,320,648
Other Receivables	4,038,113	3,579,058	459,055
Housing	-	-	-
Loan Instalments	1,887,288	1,887,288	-
Other Debtors	2,150,825	1,691,770	459,055
Total Receivables from Exchange Transactions	**47,449,285**	**25,617,072**	**21,832,213**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2011			
Service Debtors:	35,728,450	23,359,646	12,368,805
Electricity	3,834,558	2,414,764	1,419,794
Refuse	10,826,421	7,131,734	3,694,687
Sewerage	6,807,412	4,484,275	2,323,137
Water	14,260,059	9,328,872	4,931,187
Other Receivables	3,890,864	2,563,045	1,327,819
Housing	-	-	-
Loan Instalments	1,908,520	1,257,208	651,313
Other Debtors	1,982,344	1,305,838	676,506
Total Receivables from Exchange Transactions	**39,619,314**	**25,922,691**	**13,696,623**

Receivables from Exchange Transactions are billed monthly, latest end of month. No interest is charged on Receivables until the end of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance.

The municipality receives applications that it processes. Deposits are required to be paid for all electricity and water accounts opened. There are no consumers who represent more than 5% of the total balance of Receivables.

The municipality did not pledge any of its Receivables as security for borrowing purposes.

The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values.

The fair value of Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and Receivables as well as the current payment ratio's of the municipality's Receivables.

	2012 R	2011 R

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

3.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2012

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Electricity:					
Gross Balances	1,061,547	376,354	185,513	2,440,560	4,063,973
Less: Provision for Impairment	159,350	229,267	73,896	1,297,399	1,759,912
Net Balances	**902,197**	**147,087**	**111,617**	**1,143,161**	**2,304,062**
Refuse:					
Gross Balances	244,167	188,849	172,717	11,849,331	12,455,064
Less: Provision for Impairment	92,401	95,548	90,410	5,741,069	6,019,427
Net Balances	**151,766**	**93,301**	**82,308**	**6,108,262**	**6,435,637**
Sewerage:					
Gross Balances	340,040	210,862	198,480	7,648,537	8,397,920
Less: Provision for Impairment	97,239	95,071	92,864	4,006,850	4,292,024
Net Balances	**242,801**	**115,791**	**105,616**	**3,641,688**	**4,105,896**
Water:					
Gross Balances	590,999	454,703	518,451	16,612,279	18,176,432
Less: Provision for Impairment	279,734	283,605	328,444	9,074,867	9,966,651
Net Balances	**311,265**	**171,097**	**190,008**	**7,537,411**	**8,209,781**
Other Receivables:					
Gross Balances	31,707	36,347	35,569	3,934,489	4,038,113
Less: Provision for Impairment	24,252	26,974	27,036	3,500,797	3,579,058
Net Balances	**7,456**	**9,374**	**8,534**	**433,692**	**459,055**

As at 30 June Receivables of R19,898,946 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	1,267,116	1,110,732	42,485,195	44,863,042
Less: Provision for Impairment	730,465	612,650	23,620,982	24,964,096
Net Balances	**536,651**	**498,082**	**18,864,214**	**19,898,946**

As at 30 June 2011

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Electricity:					
Gross Balances	3,834,558				3,834,558
Less: Provision for Impairment	2,414,764				2,414,764
Net Balances	**1,419,794**	**-**	**-**	**-**	**1,419,794**
Refuse:					
Gross Balances	10,826,421				10,826,421
Less: Provision for Impairment	7,131,734				7,131,734
Net Balances	**3,694,687**	**-**	**-**	**-**	**3,694,687**
Sewerage:					
Gross Balances	6,807,412				6,807,412
Less: Provision for Impairment	4,484,275				4,484,275
Net Balances	**2,323,137**	**-**	**-**	**-**	**2,323,137**
Water:					
Gross Balances	14,260,059				14,260,059
Less: Provision for Impairment	9,328,872				9,328,872
Net Balances	**4,931,187**	**-**	**-**	**-**	**4,931,187**
Other Receivables:					
Gross Balances	3,890,864				3,890,864
Less: Provision for Impairment	2,563,045				2,563,045
Net Balances	**1,327,819**	**-**	**-**	**-**	**1,327,819**

	2012 R	2011 R

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

As at 30 June Receivables of R0 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	-	-	-	-
Less: Provision for Impairment	-	-	-	-
Net Balances	-	-	-	-

3.2 Summary of Receivables from Exchange Transactions by Customer Classification

	Household	Industrial/ Commercial	National and Provincial Government	Other
	R	R	R	R
As at 30 June 2012				
Current:				
0 - 30 days	1,395,840	732,045	140,095	481
Past Due:				
31 - 60 Days	1,034,002	170,717	62,115	252
61 - 90 Days	926,315	109,345	74,826	246
+ 90 Days	39,728,004	2,413,191	335,901	8,130
Sub-total	43,084,161	3,425,297	612,936	9,108
Less: Provision for Impairment	23,900,499	1,712,859	-	3,714
Total Trade Receivables by Customer Classification	**19,183,662**	**1,712,438**	**612,936**	**5,394**

3.3 Reconciliation of the Provision for Impairment

Balance at beginning of year	25,922,691	42,730,361
All Consumer Debtors	25,922,691	42,730,361
Assessment Rates Debtors		
Impairment Losses recognised	-	6,007,905
All Consumer Debtors		6,007,905
Assessment Rates Debtors	-	
Impairment Losses reversed	(73,021)	-
All Consumer Debtors	(73,021)	-
Assessment Rates Debtors	-	-
Amounts written off as uncollectable	(232,599)	(22,815,575)
All Consumer Debtors	(232,599)	(22,815,575)
Assessment Rates Debtors		-
Balance at end of year	**25,617,071**	**25,922,691**

In determining the recoverability of a Receivable, the municipality considers any change in the credit quality of the Receivable from the date credit was initially granted up to the reporting date. Furthermore, the municipality has also placed a strong emphasis on verifying the indigent status of consumers. The concentration of credit risk is limited due to the customer base being spread over a large number of consumers and is not concentrated in any particular sector or geographical area. Accordingly, management believe that there is no further credit provision required in excess of the Provision for Impairment.

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

Included in the municipality's Receivables balance are debtors with a carrying amount of R19 898 946 which are past due at the reporting date for which the municipality has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits (see Note 13), which are not covering the total outstanding debt. The average age of these receivables is 201 days (2011: 145 days).

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

3.4 Ageing of Impaired Receivables from Exchange Transactions

Current:		
0 - 30 Days	652,976	25,922,691
Past Due:		
31 - 60 Days	730,465	-
61 - 90 Days	612,650	-
+ 90 Days	23,620,982	-
Total	**25,617,072**	**25,922,691**
	0.37	0.21

3.5 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

	2012 R	2011 R

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2012			
Assessment Rates Debtors	3,874,763	1,665,791	2,208,972
Payments made in Advance	(425)	-	(425)
Sundry Debtors	451,551	200,906	250,646
Total Receivables from Non-exchange Transactions	**4,325,889**	**1,866,696**	**2,459,193**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2011			
Assessment Rates Debtors	3,569,735	-	3,569,735
Payments made in Advance	1,894	-	1,894
Sundry Debtors	399,354	-	399,354
Total Receivables from Non-exchange Transactions	**3,970,983**	**-**	**3,970,983**

The average credit period for **Government Grants and Subsidies** is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies are payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Sundry Debtors are in respect of debits outstanding at year-end on normal business transactions entered into by the municipality.

The average credit period for Receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one persent per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Receivables.

The municipality does not hold deposits or other security for its Receivables.

None of the Receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values.

4.1 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2012	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Assessment Rates:					
Gross Balances	55,840	97,915	83,039	3,637,968	3,874,763
Less: Provision for Impairment	31,067	32,503	30,730	1,571,491	1,665,791
Net Balances	**24,773**	**65,413**	**52,309**	**2,066,477**	**2,208,972**
Payments made in Advance:					
Gross Balances	(425)	-	-	-	(425)
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**(425)**	**-**	**-**	**-**	**(425)**
Sundry Debtors:					
Gross Balances	(2,121)	10,618	8,640	434,414	451,551
Less: Provision for Impairment	(3,882)	3,454	3,454	197,879	200,906
Net Balances	**1,761**	**7,164**	**5,186**	**236,535**	**250,646**

As at 30 June Receivables of R2,433,084 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	*61 - 90 Days*	*+ 90 Days*	
All Receivables:				
Gross Balances	108,533	91,680	4,072,383	4,272,595
Less: Provision for Impairment	35,957	34,184	1,769,370	1,839,511
Net Balances	**72,576**	**57,495**	**2,303,012**	**2,433,084**

	2012 R	2011 R

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continued)

As at 30 June 2011

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Assessment Rates:					
Gross Balances	3,569,735				3,569,735
Less: Provision for Impairment					-
Net Balances	**3,569,735**	**-**	**-**	**-**	**3,569,735**
Payments made in Advance:					
Gross Balances	1,894	-	-	-	1,894
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**1,894**	**-**	**-**	**-**	**1,894**
Government Subsidy Claims:					
Gross Balances	-	-	-	-	-
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**-**	**-**
Sundry Debtors:					
Gross Balances	399,354	-	-	-	399,354
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**399,354**	**-**	**-**	**-**	**399,354**

As at 30 June Receivables of R0 were past due but not impaired.

4.2 Summary of Assessment Rates Debtors by Customer Classification

As at 30 June 2012	**Household** **R**	**Industrial/ Commercial** **R**	**National and Provincial Government** **R**	**Other** **R**
Current:				
0 - 30 days	141,925	(74,312)	(1,447)	(13,617)
Past Due:				
31 - 60 Days	96,032	13,671	-	-
61 - 90 Days	85,106	6,574	-	-
+ 90 Days	3,619,068	313,632	2,255	137,427
Sub-total	3,942,131	259,565	808	123,811
Less: Provision for Impairment	1,662,595	124,409	-	79,692
Total Rates Debtors by Customer Classification	**2,279,535**	**135,156**	**808**	**44,118**

4.3 Reconciliation of Provision for Impairment

Balance at beginning of year	-	-
Other Debtors	-	-
Assessment Rates Debtors	-	-
Impairment Losses recognised	1,866,696	-
Other Debtors	200,906	-
Assessment Rates Debtors	1,665,791	-
Balance at end of year	**1,866,696**	**-**

	2012 R	2011 R

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continued)

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

In determining the recoverability of a Debtor, the municipality considers any change in the credit quality of the Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Rates Assessment Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

5 CASH AND CASH EQUIVALENTS

Current Investments	20,375,014	405,486
Bank Accounts	11,618,366	1,099,131
Cash and Cash Equivalents	1,580	1,580
Total Bank, Cash and Cash Equivalents	**31,994,961**	**1,506,197**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

5.1 Current Investment Deposits

Notice Deposits	20,375,014	405,486
Total Current Investment Deposits	**20,375,014**	**405,486**

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 4,90 % to 5,50 % (2011: 4,90% to 5,50%) per annum.

Deposits attributable to Unspent Conditional Grants	20,375,014	405,486
Total Deposits attributable to Commitments of the Municipality	**20,375,014**	**405,486**

Deposits of R20 375 041 (2011: R405 486) are ring-fenced and attributable to Unspent Conditional Grants.

5.2 Bank Accounts

Cash in Bank	11,618,366	1,098,011
Total Bank Accounts	**11,618,366**	**1,098,011**

The Municipality has the following bank accounts:

Primary Bank Account		
ABSA Bank - Colesberg - Account Number: 2440000005		
Cash book balance at beginning of year	(693,583)	(400,124)
Cash book balance at end of year	972,267	(693,583)
Bank statement balance at beginning of year	197,709	286,515
Bank statement balance at end of year	972,267	197,709
ABSA Bank - Colesberg - Account Number: 4052875289		
Cash book balance at beginning of year	1,367,896	960,241
Cash book balance at end of year	9,459,342	1,367,896
Bank statement balance at beginning of year	1,766,017	1,039,196
Bank statement balance at end of year	9,459,342	1,766,017
Standard Bank - Noupoort - Account Number: 280412835		
Cash book balance at beginning of year	111,730	165,143
Cash book balance at end of year	290,281	111,730

	2012 R	2011 R
5 CASH AND CASH EQUIVALENTS (continued)		
Bank statement balance at beginning of year	108,897	155,898
Bank statement balance at end of year	290,280	108,897
ABSA Bank - Colesberg - Account Number : 4061642031		
Cash book balance at beginning of year	311,968	576,366
Cash book balance at end of year	895,357	311,968
Bank statement balance at beginning of year	311,968	576,366
Bank statement balance at end of year	895,357	311,968

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

5.3 Cash and Cash Equivalents

Cash Floats and Advances	1,580	1,580
Total Cash on hand in Cash Floats, Advances and Equivalents	**1,580**	**1,580**

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

6 CURRENT PORTION OF LONG-TERM RECEIVABLES		
Other Loans	-	3,516
	-	3,516

7 PROPERTY, PLANT AND EQUIPMENT

30 June 2012

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Rehabilitation Landfill Site	Other	Total
	R	R	R	R	R
Carrying values at 01 July 2011	**42,180,030**	**392,429,139**	**4,390,656**	**8,658,734**	**447,658,558**
Cost	48,278,613	746,298,601	6,860,399	11,811,181	813,248,794
- *Completed Assets*	*45,474,318*	*723,129,682*	*6,860,399*	*11,811,181*	*787,275,580*
- *Under Construction*	*2,804,295*	*23,168,920*	-	-	*25,973,214*
Accumulated Depreciation:	(6,098,583)	(353,869,462)	(2,469,744)	(3,152,447)	(365,590,236)
- *Cost*	*(6,098,583)*	*(353,869,462)*	*(2,469,744)*	*(3,152,447)*	*(365,590,236)*
- *Revaluation*	-	-	-	-	-
Acquisitions	67,530	2,965,837	-	867,198	3,900,566
Capital under Construction - Additions:	297,704	40,670,837	-	-	40,968,541
- *Cost*	*297,704*	*40,670,837*	-	-	*40,968,541*
Additions	*297,704*	*40,670,837*	-	-	*40,968,541*
Depreciation:	(495,656)	(25,178,181)	(274,416)	(1,840,160)	(27,788,413)
- *Based on Cost*	*(495,656)*	*(25,178,181)*	*(274,416)*	*(1,840,160)*	*(27,788,413)*
Carrying value of Disposals:	(396,200)	-	-	(13,409)	(409,609)
- Cost	(396,200)	-	-	(32,263)	(428,463)
- Accumulated Depreciation				18,854	18,854
- *Based on Cost*				*18,854*	*18,854*
- Accumulated Impairment Losses				(227,349)	(227,349)
Carrying values at 30 June 2012	**41,653,408**	**410,887,632**	**4,116,240**	**7,445,013**	**464,102,293**
Cost	48,247,647	789,935,276	6,860,399	12,646,116	857,689,438
- *Completed Assets*	*45,145,649*	*726,095,519*	*6,860,399*	*12,646,116*	*790,747,682*
- *Under Construction*	*3,101,998*	*63,839,757*	-	-	*66,941,755*
Revaluation					
Accumulated Impairment Losses	-	-	-	(227,349)	(227,349)
Accumulated Depreciation:	(6,594,239)	(379,047,643)	(2,744,160)	(4,973,754)	(393,359,795)
- *Cost*	*(6,594,239)*	*(379,047,643)*	*(2,744,160)*	*(4,973,754)*	*(393,359,795)*
- *Revaluation*					

30 June 2011

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Rehabilitation Landfill Site	Other	Total
	R	R	R	R	R
Carrying values at 01 July 2010	**39,257,611**	**393,003,528**	**4,665,072**	**9,592,478**	**446,518,689**
Cost	44,863,285	723,129,682	6,860,399	11,060,072	785,913,438
- *Completed Assets*	*44,863,285*	*723,129,682*	*6,860,399*	*11,060,072*	*785,913,438*
- *Under Construction*	-	-	-	-	-
Accumulated Depreciation:	(5,605,674)	(330,126,154)	(2,195,328)	(1,467,593)	(339,394,749)
- *Cost*	*(5,605,674)*	*(330,126,154)*	*(2,195,328)*	*(1,467,593)*	*(339,394,749)*
Acquisitions	611,033	-	-	751,109	1,362,142
Capital under Construction - Additions:	2,804,295	23,168,920	-	-	25,973,214
- *Cost*	*2,804,295*	*23,168,920*	-	-	*25,973,214*
Additions	*2,804,295*	*23,168,920*	-	-	*25,973,214*
Depreciation:	(492,909)	(23,743,309)	(274,416)	(1,684,854)	(26,195,487)
- *Based on Cost*	(492,909)	(23,743,309)	(274,416)	(1,684,854)	(26,195,487)
Carrying values at 30 June 2011	**42,180,030**	**392,429,139**	**4,390,656**	**8,658,734**	**447,658,558**
Cost	48,278,613	746,298,601	6,860,399	11,811,181	813,248,794
- *Completed Assets*	*45,474,318*	*723,129,682*	*6,860,399*	*11,811,181*	*787,275,580*
- *Under Construction*	*2,804,295*	*23,168,920*	-	-	*25,973,214*
Revaluation	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-
Accumulated Depreciation:	(6,098,583)	(353,869,462)	(2,469,744)	(3,152,447)	(365,590,236)
- *Cost*	*(6,098,583)*	*(353,869,462)*	*(2,469,744)*	*(3,152,447)*	*(365,590,236)*
- *Revaluation*	-	-	-	-	-

All Infrastructure Assets were valued as at 30 June 2012 using the Depreciated Replacement Cost Approach.

The leased Property, Plant and Equipment is secured as set out in Note 15.

		2012 R	2011 R

7 **PROPERTY, PLANT AND EQUIPMENT (Continued)**

7.1 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

7.2 Carrying Amount of Property, Plant and Equipment retired from active use and held for disposal

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year.

7.3 Assets pledged as security

The municipality did not pledge any of its assets as security.

7.4 Impairment of Property, Plant and Equipment

During the period, the municipality carried out a review of the recoverable amount of its infrastructure property, plant and equipment, having regard to its on-going programme of modernisation and the extension of its services. These assets are used in the municipality's basic services delivery reportable segments. The review led to the recognition of an impairment loss of R 227 349, which has been recognised in the Statement of Financial Performance. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

Other Assets: Computer Equipment	1,298	-
Other Assets: Emergency Equipment	383	-
Other Assets: Furniture and Office Equipment	12,491	-
Other Assets: Motor Vehicles	204,342	-
Other Assets: Machinery and Equipment	9,219	-
Total Impairment of Property, Plant and Equipment	**227,732**	**-**

Impairment losses on Property, Plant and Equipment exist predominantly due to an impaired item of Property, Plant and Equipment that has been physically damaged and has become redundant and idle.

7.5 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases in depreciation for the mentioned departments for the financial year 2011/2012:

Executive and Council	3,516	-
Finance and Administration	12,666	-
Social Development	19,452	-
Technical Services	16,685	-
Corporate Service	1,804	-
Total Change in Estimate for Useful Life of Property, Plant and Equipment	**54,123**	**-**

7.6 Land and Buildings carried at Fair Value

The municipality's Land and Buildings are accounted for according to the cost model and therefore no fair value has been determined.

Land and Buildings were revalued to fair value by using the municipal valuation roll. The effective date of revaluation was 01 July 2009. The valuation was done by Uluntu Consultants, registered and independent valuators. The NHBR indices, which indicate current building costs, were used to determine replacement values.

An independent valuation of the municipality's Land and Buildings was performed by Mr. D. Grobler, registered and independent valuators, to determine the fair value thereof. The valuation, which conforms to International Valuation Standards, was made on the basis of recent market transactions on arm's length terms. The effective date of the valuation is 1 July 2009.

	2012 R	2011 R
8 INTANGIBLE ASSETS		
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**255,970**	**415,278**

The movement in Intangible Assets is reconciled as follows:

	Computer Software	Total
Carrying values at 01 July 2011	**415,278**	**415,278**
Cost	1,559,400	1,559,400
Accumulated Revaluation	-	-
Accumulated Amortisation	(1,144,122)	(1,144,122)
Accumulated Impairment	-	-
Acquisitions:	91,081	91,081
Purchased	91,081	91,081
Amortisation:	(250,390)	-
Purchased	(250,390)	-
Internally Developed	-	-
Impairment Losses Recognised	-	-
Decreases in Revaluations	-	-
Carrying values at 30 June 2012	**255,970**	**506,359**
Cost	1,650,481	1,650,481
Accumulated Revaluation	-	-
Accumulated Amortisation	(1,394,511)	(1,144,122)

	Computer Software	Total
Carrying values at 01 July 2010	**929,690**	**929,690**
Cost	1,555,802	1,555,802
Accumulated Amortisation	(626,112)	(626,112)
Acquisitions:	3,598	3,598
Purchased	3,598	3,598
Internally Developed	-	-
Amortisation:	(518,009)	(518,009)
Purchased	(518,009)	(518,009)
Internally Developed	-	-
Carrying values at 30 June 2011	**415,278**	**415,278**
Cost	1,559,400	1,559,400
Accumulated Revaluation	-	-
Accumulated Amortisation	(1,144,122)	(1,144,122)
Accumulated Impairment Losses	-	-

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 27).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

8.1 Significant Intangible Assets

The municipality has a Financial Accounting System, Abakus, which is material in relation to other intangibles assets recognised. The carrying amount of the software of R160 714 (2011: R375 000) will be fully amortised in 9 months (2011: 24 months).

8.2 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases in depreciation for the mentioned departments for the financial year 2011/2012:

Finance and Administration	160,714	-
Social Development	1,490	-
Total Change in Estimate for Useful Life of Property, Plant and Equipment	**162,204**	**-**

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

Amortisation is charged on a straight-line basis over the Intangible Assets' useful lives.

8.3 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

		2012 R	2011 R
9	**INVESTMENT PROPERTY**		
	At Fair Value	1,654,811	238,159
	At Cost less Accumulated Depreciation	-	-
	The movement in Investment Property is reconciled as follows:		
	Carrying values at 1 July	**238,159**	**245,440**
	Cost	-	-
	Fair Value	238,159	260,000
	Accumulated Depreciation	-	(14,560)
	Accumulated Impairment Losses	-	-
	Net Gains / (Losses) from Fair Value Adjustments	1,416,652	
	Depreciation during the Year	-	(7,281)
	Carrying values at 30 June	**1,654,811**	**238,159**
	Cost	-	-
	Fair Value	1,654,811	260,000
	Accumulated Depreciation	-	(21,841)
	Accumulated Impairment	-	-
	Estimated Fair Value of Investment Property at 30 June	**1,654,811**	**238,159**
	Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:		
	Rental Revenue earned from Investment Property	281,345	-
	Direct Operating Expenses - incurred to generate rental revenue	-	-
	Direct Operating Expenses - incurred which did not generate rental revenue	-	-
	All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.		
	There are no restrictions on the reliability of Investment Property or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligations on Investment Property.		
	9.1 Investment Property carried at Fair Value		
	The municipality's Investment Property is valued annually at 30 June at fair value by DCR Consultants, an independent, professionally qualified, valueer. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties.		
	The following assumptions were used:		
	Discount Rate	7.80%	6.74%

10 **LONG-TERM RECEIVABLES**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2012			
Other Loans	-	-	-
	-	-	-
Less: Current Portion transferred to Current Receivables:-			-
Other Loans			-
Total Long-term Receivables			-

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2011			
Other Loans	3,516	-	3,516
	3,516	-	3,516
Less: Current Portion transferred to Current Receivables:-			3,516
Other Loans			3,516
Total Long-term Receivables			-

		2012 R	2011 R
10	**LONG-TERM RECEIVABLES (continued)**		
	DEBTORS CAPITALISED		

The municipality does not hold deposits or any other security for its Long-term Receivables.

No Long-term Receivables have been pledged as security for the municipality's financial liabilities.

Long-term Receivables are neither past due nor impaired as management have no concerns over the credit quality of these assets.

The management of the municipality is of the opinion that the carrying value of Long-term Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values.

10.1 Ageing of Long-term Receivables

Current:		
0 - 30 days	-	3,516
Past Due:		
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
+ 120 Days	-	-
Total	**-**	**3,516**

In determining the recoverability of a Long-term Receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The Provision for Impairment on Long-term Receivables exists predominantly due to the possibility that these debts will not be recovered. Long-term Receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment. However, the concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

In determining the recoverability of a Long-term Receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

11	**CONSUMER DEPOSITS**		
	Electricity and Water	606,488	556,479
	Total Consumer Deposits	**606,488**	**556,479**
	Guarantees held in lieu of Electricity and Water Deposits	**-**	**-**

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

12	**PAYABLES**		
	Trade Creditors	9,840,438	3,355,565
	Payments received in Advance	-	-
	Projects	-	-
	Retentions	-	-
	Staff Bonuses	667,394	634,832
	Staff Leave Accrued	1,514,339	1,172,418
	Staff Salaries	-	-
	Sundry Deposits	64,807	64,807
	Other Creditors	786,482	803,650
	Total Creditors	**12,873,461**	**6,031,271**

Staff Leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA, except when the liability is disputed. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has policies in place to ensure that all payables are paid within the credit timeframe.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

		2012 R	2011 R
13	**UNSPENT CONDITIONAL GRANTS AND RECEIPTS**		
	13.1 Conditional Grants from Government	**29,358,920**	**8,481,275**
	National Government Grants	9,170,751	8,262,018
	Other Spheres of Government	20,188,169	219,258
	Total Conditional Grants and Receipts	**29,358,920**	**8,481,275**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 20 for the reconciliation of Grants from Government. The Unspent Grants are cash backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

14	**VAT PAYABLE**		
	Vat Payable.	605,356	
	Vat Receivable.	-	1,591,613
	Vat Payable	**605,356**	**1,591,613**

Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

15	**LONG-TERM LIABILITIES**		
	Annuity Loans	-	1,198,735
	Finance Lease Liabilities	462,952	678,218
	Sub-total	546,132	1,876,953
	Less: Current Portion transferred to Current Liabilities:-	251,569	1,330,938
	Annuity Loans	-	1,115,672
	Finance Lease Liabilities	168,389	215,266
	Other Loans	83,180	-
		-	
	Total Long-term Liabilities (Neither past due, nor impaired)	**294,563**	**546,014**

15.1 Summary of Arrangements

Annuity Loans are repaid over periods varying from 5 to 10 (2011: 5 to 10) years and at interest rates varying from 9.60% to 15.00% (2011: 9.60% to 15.00%) per annum. Annuity Loans are not secured.

Finance Lease Liabilities relate to IT Equipment with a lease term of 5 (2011: 5) years. The effective interest rate on Finance Leases is between 9.00% and 15.00% (2011: 9.00% and 15.00%). Capitalised Lease Liabilities are secured over the items of vehicles and equipment leased.

The management of the municipality is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

15.2 Obligations under Finance Lease Liabilities

The Municipality as Lessee:
Finance Leases relate to Property, Plant and Equipment with lease terms not more than 5 years (2011: 5 years). The effective interest rate on Finance Leases is between 9.00% and 15.00% (2011: 9.00% and 15.00%).

The municipality does not have an option to purchase the leased Property, Plant and Equipment at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

	2012 R	2011 R

15 LONG-TERM LIABILITIES (continued)

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2012 R	2011 R	2012 R	2011 R
Amounts payable under finance leases:				
Within one year	205,837	210,384	205,837	210,384
In the second to fifth years, inclusive	327,485	269,593	327,485	269,593
Over five years	-	-	-	-
	533,322	479,977	533,322	479,977
Less: Future Finance Obligations	70,370	68,139	70,370	68,139
Present Value of Minimum Lease Obligations	462,952	411,838	462,952	411,838
Less: Amounts due for settlement within 12 months (Current Portion)			-	172,291
Finance Lease Obligations due for settlement after 12 months (Non-current Portion)			462,952	239,547

The municipality has finance lease agreements for the following significant classes of assets:
- Office Equipment
- Vehicles

15.3 Breach of Loan Agreement

The municipality did not default on any payment of its Long-term Liabilities. No terms for payment have been re-negotiated by the municipality.

16 RETIREMENT BENEFIT LIABILITIES

16.1 Post-retirement Health Care Benefits Liability

Balance at beginning of Year	6,780,550	5,912,204
Contributions to Provision	(65,532)	(59,304)
Increase due to Discounting	598,600	541,402
Expenditure incurred	453,740	417,282
Reduction due to Re-measurement	(786,739)	(31,034)
Balance at end of Year	6,980,619	6,780,550
Transfer to Current Provisions	-	-
Total Post-retirement Health Care Benefits Liability	6,980,619	6,780,550

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Arch Actuarial Consultants, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	37	46
In-service Non-members (Employees)	156	136
Continuation Members (Retirees, widowers and orphans)	2	2
Total Members	195	184

The liability in respect of past service has been estimated as follows:

In-service Members	5,875,000	5,732,000
Continuation Members	1,124,000	1,048,000
Total Liability	6,999,000	6,780,000

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:
- Bonita's
- Hosmed
- Key health
- LA Health
- Samwumed

The Current-service Cost for the year ending 30 June 2012 is estimated to be R453 700 whereas the cost for the ensuing year is estimated to be R522 700 (2011: R417 300 and R453 700 respectively).

		2012 R	2011 R
16	**RETIREMENT BENEFIT LIABILITIES (continued)**		
	The principal assumptions used for the purposes of the actuarial valuations were as follows:		
	Discount Rate	8.34%	8.87%
	Health Care Cost Inflation Rate	7.16%	7.38%
	Net Effective Discount Rate	1.11%	1.38%
	Expected Retirement Age - Females	60	60
	Expected Retirement Age - Males	60	60
	Movements in the present value of the Defined Benefit Obligation were as follows:		
	Balance at the beginning of the year	6,780,550	5,912,204
	Current service costs	453,740	417,282
	Interest cost	598,600	541,402
	Benefits paid	(65,532)	(59,304)
	Actuarial losses / (gains)	(786,739)	(31,034)
	Present Value of Fund Obligation at the end of the Year	**6,980,619**	**6,780,550**
	Actuarial losses / (gains) unrecognised	-	-
	Total Recognised Benefit Liability	**6,980,619**	**6,780,550**
	The amounts recognised in the Statement of Financial Position are as follows:		
	Present value of fund obligations	6,980,619	6,780,550
		6,980,619	6,780,550
	Unfunded Accrued Liability	6,980,619	6,780,550
	Total Benefit Liability	**6,980,619**	**6,780,550**
	The amounts recognised in the Statement of Financial Performance are as follows:		
	Current service cost	453,740	417,282
	Interest cost	598,600	541,402
	Expected Employer Benefit Payments	(65,532)	(59,304)
	Actuarial losses / (gains)	(786,739)	(31,034)
	Total Post-retirement Benefit included in Employee Related Costs (Note 25)	**200,069**	**868,346**

The history of experienced adjustments is as follows:

	2012 R	2011 R	2010 R
Present Value of Defined Benefit Obligation	6,980,619	6,780,550	5,912,204
Fair Value of Plan Assets	-	-	-
Deficit	**6,980,619**	**6,780,550**	**5,912,204**

In accordance with the transitional provisions for the amendments to IAS 19 Employee Benefits in December 2004, the disclosures above are determined prospectively from the 2009 reporting period.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	1,273,300	1,145,400
Effect on the defined benefit obligation	8,451,000	8,030,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	878,100	810,100
Effect on the defined benefit obligation	5,955,000	5,778,000

Refer to Note 44, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

		2012 R	2011 R
17	**NON-CURRENT PROVISIONS**		
	Provision for Long Service Awards	1,050,699	911,801
	Provision for Rehabilitation of Land-fill Sites	12,098,011	11,042,935
	Total Non-current Provisions	**13,148,710**	**11,954,736**

The movement in Non-current Provisions are reconciled as follows:

	Long-service Awards R	Land-fill Sites R
30 June 2012		
Balance at beginning of year	911,801	11,042,935
Contributions to provision	(64,995)	1,055,075
Increase due to discounting	67,870	-
Expenditure incurred	134,405	-
Reduction due to re-measurement	1,618	-
	1,050,699	12,098,011
Transfer to current provisions	-	-
Balance at end of year	**1,050,699**	**12,098,011**

	Long-service Awards R	Land-fill Sites R
30 June 2011		
Balance at beginning of year	750,586	10,079,874
Contributions to provision	(49,083)	963,061
Increase due to discounting	59,284	-
Expenditure incurred	106,857	-
Reduction due to re-measurement	44,157	-
	911,801	11,042,935
Transfer to current provisions	-	-
Balance at end of year	**911,801**	**11,042,935**

17.1 Long Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 185 (2011: 174) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2012 is estimated to be R134 405, whereas the cost for the ensuing year is estimated to be R190 876 (30 June 2011: R106 857 and R134 405 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	6.45%	7.71%
Net Effective Discount Rate	0.43%	1.37%
Expected Rate of Salary Increase	6.00%	6.26%
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	60	60
Movements in the present value of the Defined Benefit Obligation were as follows:		
Balance at the beginning of the year	911,801	750,586
Current service costs	134,405	106,857
Interest cost	67,870	59,284
Benefits vesting	(64,995)	(49,083)
Actuarial losses / (gains)	1,618	44,157
Present Value of Fund Obligation at the end of the Year	**1,050,699**	**911,801**
Actuarial losses / (gains) unrecognised	-	-
Total Recognised Benefit Liability	**1,050,699**	**911,801**

		2012 R	2011 R
17	**NON-CURRENT PROVISIONS (continued)**		
	The amounts recognised in the Statement of Financial Position are as follows:		
	Present value of fund obligations	1,050,699	911,801
	Fair value of plan assets	-	-
		1,050,699	911,801
	Present value of unfunded obligations	-	-
	Unfunded Accrued Liability	1,050,699	911,801
	Past-service cost not recognised	-	-
	Actuarial gains / (losses) not recognised	-	-
	Restrictions on asset recognised	-	-
	Fair value of reimbursement rights recognised	-	-
	Total Benefit Liability	**1,050,699**	**911,801**
	The amounts recognised in the Statement of Financial Performance are as follows:		
	Current service cost	134,405	106,857
	Interest cost	67,870	59,284
	Benefits vesting	(64,995)	(49,083)
	Actuarial losses / (gains)	1,618	44,157
	Total Post-retirement Benefit included in Employee Related Costs (Note 25)	**138,898**	**161,215**

The history of experienced adjustments is as follows:

	2012 R	2011 R	2010 R
Present Value of Defined Benefit Obligation	1,050,699	911,801	750,586
Fair Value of Plan Assets	-	-	-
Deficit	**1,050,699**	**911,801**	**750,586**

In accordance with the transitional provisions for the amendments to IAS 19 Employee Benefits in December 2004, the disclosures above are determined prospectively from the 2009 reporting period.

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	215,742	178,254
Effect on the defined benefit obligation	270,078	215,742
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	190,092	155,182
Effect on the defined benefit obligation	240,047	190,092

17.2 Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R7,6 (2011: R 7,6) million to restore the site at the end of its useful life, estimated to be in 2015. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate.

18	**ACCUMULATED SURPLUS**		
	The Accumulated Surplus consists of the following Internal Funds and Reserves:		
	Capital Replacement Reserve (CRR)	193,344	193,344
	Accumulated Surplus / (Deficit) due to the results of Operations	458,368,138	433,614,516
	Total Accumulated Surplus	**458,561,482**	**433,807,860**

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

		2012 R	2011 R

19 PROPERTY RATES

	Property Valuations July 2012 R000's	 July 2011 R000's	Actual Levies	
Residential	381,280,800	-	3,341,747	2,262,277
Commercial	61,922,050	-	559,925	1,076,318
Agricultural	541,782,970	-	160,404	107,663
State	12,832,000	-	35,609	366,059
Municipal	748,750	-	48,151	-
Total Property Rates	**998,566,570**	**-**	**4,145,836**	**3,812,317**
Attributable to:				
Continuing Operations			4,145,836	3,812,317
Discontinued Operations			-	-
			4,145,836	**3,812,317**

The last valuation came into effect on 1 July 2009. A general valuation has been performed during the financial year and will be applied with effect 1 Apr 2012.

Interim valuations are processed on an continuous basis to take into account changes in individual property values due to alterations and subdivisions.

An general rate is applied as follows to property valuations to determine property rates:
Residential Properties: 1,061 c/R (2010/11: 1.03 c/R)
Business Properties: 1.229 c/R (2010/11: 1.16 c/R)
Agricultural Properties: 0.0265 c/R (2010/11: 0.0258 c/R)

A discount of 20,00% (2011/2010: 20,00%) was granted on properties owned by the State and a discount of 25% on all Agricultural

Rates are levied monthly on property owners and are payable the end of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

20 GOVERNMENT GRANTS AND SUBSIDIES

National Equitable Share	26,095,000	23,637,479
Operational Grants	26,095,000	23,637,479
Conditional Grants	49,139,791	33,797,111
National: FMG	1,450,000	1,214,500
National: MIG	4,172,238	11,977,742
National: MSIG	790,000	750,000
National: DWAF	37,868,997	13,131,106
National: INEP	2,315,516	1,835,759
National: LDP	522,000	358,623
National: EEDG (Solar Geyser Project)	59,300	-
Provincial: Department of Housing	1,664,036	1,619,834
Provincial: Department of Safety	297,704	2,804,295
Provincial: Lotto	-	105,253
Total Government Grants and Subsidies	**75,234,791**	**57,434,590**
Government Grants and Subsidies:		
Conditional Grants - Capital	42,205,553	19,496,245
Unconditional Grants - Capital	4,172,238	11,977,742
Unconditional Grants - Operational	28,857,000	25,960,602
Total Government Grants and Subsidies	**75,234,791**	**57,434,589**
Summary of Transfers:		
Conditions met - transferred to Revenue: Operating Expenses	31,421,586	28,069,536
Conditions met - transferred to Revenue: Capital Expenses	43,813,205	29,365,053
Total Transfers	**75,234,791**	**57,434,589**
Attributable to:		
Continuing Operations	75,234,791	57,434,590
Discontinued Operations	-	-
	75,234,791	**57,434,590**

		2012 R	2011 R
20	**GOVERNMENT GRANTS AND SUBSIDIES (continued)**		
	Operational Grants:		
	20.1 National: Equitable Share	**26,095,000**	**23,637,479**
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy equal to a maximum of 6 kl of water, one refuse removal and one sewerage pond and 50 kWh of electricity, based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. Where general basic services are absent, alternatief energy are provided by means of candles and paraffin.		
	Conditional Grants:		
	20.2 National: Equitable Share		
	Balance unspent at beginning of year	-	-
	Current year receipts	26,095,000	23,637,479
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(26,095,000)	(23,637,479)
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	-
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to community members. In terms of the allocation made by DPLG the funds are also utilised to enable the municipality to execute its functions as the local authority. No funds have been withheld.		
	20.3 National: FMG Grant		
	Balance unspent at beginning of year	-	-
	Current year receipts	1,450,000	1,214,500
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(1,450,000)	(1,214,500)
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	-
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003. No funds have been withheld.		
	20.4 National: MIG Funds		
	Balance unspent at beginning of year	1,666,270	3,862,012
	Current year receipts	11,774,700	9,782,000
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(588,250)	(489,100)
	Conditions met - transferred to Revenue: Capital Expenses	(3,583,988)	(11,488,642)
	Conditions met - transferred to Revenue: Own Income	(406,853)	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	8,861,879	1,666,270
	The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. No funds have been withheld.		
	20.5 National: MSIG Funds		
	Balance unspent at beginning of year	-	-
	Current year receipts	790,000	750,000
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(790,000)	(750,000)
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	-
	The Municipal Systems Improvement Grant is allocated to municipalities to assist in building in-house capacity to perform their functions and to improve and stabilise municipal systems. No funds have been withheld.		
	20.6 National: Department Water Affairs and Forestry (DWAF)		
	Balance unspent at beginning of year	4,614,506	2,729,152
	Current year receipts	37,903,140	15,016,460
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(253,000)	-
	Conditions met - transferred to Revenue: Capital Expenses	(37,615,997)	(13,131,106)
	Conditions met - transferred to Revenue: Own Income	(4,339,778)	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	308,871	4,614,506
	This grant was used for the operation and maintenance of sewerage and water schemes transferred from DWAF to the municipality, the refurbishment of water infrastructure and the payment of salaries of staff transferred from DWAF. No funds have been withheld.		

		2012 R	2011 R
20	**GOVERNMENT GRANTS AND SUBSIDIES (continued)**		
	20.7 National -Integrated National Electrification Programme (Eskom) INEP		
	Balance unspent at beginning of year	1,481,241	-
	Current year receipts	1,170,000	3,317,000
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	-	-
	Conditions met - transferred to Revenue: Capital Expenses	(2,315,516)	(1,835,759)
	Conditions met - transferred to Revenue: Own Income	(335,725)	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	1,481,241
	Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.		
	20.8 Provincial - LDP		
	Balance unspent at beginning of year	-	-
	Current year receipts	522,000	358,623
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(522,000)	(358,623)
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	-
	This grant was received for the building and maintenance of libraries in the district. No funds have been withheld.		
	20.9 National: EEDG (Solar Geyser Project)		
	Balance unspent at beginning of year	-	-
	Current year receipts	20,000,000	-
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	(59,300)	-
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions met - transferred to Revenue: Own Income	(8,302)	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	19,932,398	-
	Expenses were incurred to promote rural development. This is a non capital project and the expense of this grant are allocated under General Expenses - Special Programs. No funds have been withheld.		
	20.10 Provincial: Department of Housing		
	Balance unspent at beginning of year	94,339	-
	Current year receipts	1,700,549	1,714,173
	Conditions met - transferred to Revenue: Operating Expenses	(1,664,036)	(1,619,834)
	Conditions met - transferred to Revenue: Capital Expenses	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	130,852	94,339
	This Grant was allocated to build 100 Houses in Noupoort. The property does not belong to the municipality.		
	20.11 Provincial: Department of Safety		
	Balance unspent at beginning of year	124,919	(19,130)
	Current year receipts	320,557	3,340,944
	Interest allocated	-	-
	Conditions met - transferred to Revenue: Operating Expenses	-	-
	Conditions met - transferred to Revenue: Capital Expenses	(297,704)	(2,804,295)
	Conditions met - transferred to Revenue: Own Income	(22,853)	(392,601)
	Conditions still to be met - transferred to Liabilities (see Note 13)	124,919	124,919
	This grant was received to build a new Taxi Rank in Colesberg. No funds have been withheld.		
	20.12 Provincial: Lotto		
	Balance unspent at beginning of year	-	105,252
	Current year receipts	-	-
	Conditions met - transferred to Revenue: Operating Expenses	-	-
	Conditions met - transferred to Revenue: Capital Expenses	-	(105,252)
	Conditions met - transferred to Revenue: Own Income	-	-
	Conditions still to be met - transferred to Liabilities (see Note 13)	-	-
	This grant was received to upgrade the Sport Complex in Loweryville, Colesberg. No funds have been withheld.		

		2012 R	2011 R
21	**SERVICE CHARGES**		
	Sale of Electricity	16,680,446	13,962,589
	Sale of Water	8,387,449	7,351,314
	Refuse Removal	4,478,378	3,929,101
	Sewerage and Sanitation Charges	5,506,374	4,834,684
	Total Service Charges	35,052,648	30,077,689
	Attributable to:		
	Continuing Operations	35,052,648	30,077,689
	Discontinued Operations	-	-
		35,052,648	30,077,689
	The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.		
22	**RENTAL OF FACILITIES AND EQUIPMENT**		
	- Investment Property	-	-
	- Other Rental Revenue	257,177	254,404
	Rental Revenue from Buildings	8,714	7,893
	Rental Revenue from Halls	32,995	46,019
	Rental Revenue from Land	63,550	72,117
	Rental Revenue from Other Facilities	16,625	27,280
	Total Rental of Facilities and Equipment	379,062	407,712
	Attributable to:		
	Continuing Operations	379,062	407,712
	Discontinued Operations	-	-
		379,062	407,712
	Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.		
23	**INTEREST EARNED**		
	Property Rates:		
	Penalties imposed and Collection Charges	284,987	558,582
		284,987	558,582
	External Investments:		
	Bank Account	11,616	32,059
	Investments	407,663	23,789
		419,278	55,847
	Total Interest Received	419,278	55,847
	Interest - Variable Rate Instruments	419,278	55,847
	Outstanding Debtors:		
	Outstanding Billing Debtors	1,431,320	1,258,321
		1,431,320	1,258,321
	Total Interest Earned	2,135,585	1,872,750
	Interest Earned on Financial Assets, analysed by category of asset, is as follows:		
	Available-for-Sale Financial Assets	419,278	55,847
	Loans and Receivables	1,716,307	1,816,902
		2,135,585	1,872,750
	Interest Earned on Non-financial Assets	-	-
		2,135,585	1,872,750
	Revenue recognised in respect of Financial Assets designated as at "fair value" is disclosed in Note 39.		

		2012 R	2011 R
24	**OTHER INCOME**		
	Building Plan Fees	15,589	18,369
	Cemetery Fees	23,111	25,957
	Insurance Claims	116,006	221,938
	Lease Advertising Signs	12,458	12,600
	Prints	1,271	457
	Tender Documents	8,684	27,895
	Town Planning Fees	3,485	5,331
	VAT Own Income	5,047,128	3,246,888
	Sundry Income	303,331	581,043
	Total Other Revenue	**5,531,064**	**4,140,478**
	Attributable to:		
	Continuing Operations	5,531,064	4,140,478
	Discontinued Operations	-	-
		5,531,064	**4,140,478**

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 21 to 26, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

25	**EMPLOYEE RELATED COSTS**		
	Employee Related Costs - Salaries and Wages	21,619,684	18,421,628
	Basic Salaries and Wages	20,187,605	16,506,657
	Service Bonuses	1,432,078	1,914,971
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	3,731,913	3,606,206
	Group Life	4,039	3,872
	Medical	481,103	539,844
	Pension	2,740,738	2,651,040
	Skills Development Levy	316,564	233,894
	UIF	189,468	177,555
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	717,187	1,074,475
	Allowances	717,187	1,074,475
	Pensioners Allowances	-	-
	Housing Benefits and Allowances	47,916	55,825
	Overtime Payments	753,449	853,424
	Performance Bonuses	-	-
	Defined Benefit Plan Expense:	338,967	1,029,561
	Current Service Cost	588,145	417,282
	Interest Cost	666,470	541,402
	Expected Return on Plan Assets	(130,527)	101,911
	Net Actuarial (gains)/losses recognised	(785,121)	(31,034)
	Vested Past Service Cost	-	-
	Total Employee Related Costs	**27,209,116**	**25,041,119**
	Attributable to:		
	Continuing Operations	27,209,116	25,041,119
	Discontinued Operations	-	-
		27,209,116	**25,041,119**

Included in Employee Related Costs is an amount of R588 145 (2011: R417 282) paid by the municipality to Defined Contribution Plans at rates specified by the rules of the plans.

Remuneration of Section 57 Employees:

Remuneration of the Municipal Manager		
Annual Remuneration	695,896	716,602
Performance Bonus	55,433	-
Car and Other Allowances	265,222	134,250
Company Contributions to UIF, Medical and Pension Funds	1,547	1,547
Total	**1,018,097**	**852,399**
Remuneration of the Chief Financial Officer		
Annual Remuneration	527,523	538,192
Performance Bonus	50,681	-
Car and Other Allowances	175,911	136,594
Company Contributions to UIF, Medical and Pension Funds	1,547	1,547
Total	**755,662**	**676,333**
Remuneration of the Manager: Community Services		
Annual Remuneration	496,817	501,215
Performance Bonus	40,867	-
Car and Other Allowances	237,361	115,192
Company Contributions to UIF, Medical and Pension Funds	1,547	1,547
Total	**776,590**	**617,954**

		2012 R	2011 R
25	**EMPLOYEE RELATED COSTS (continued)**		
	Remuneration of the Manager: Technical Services		
	Annual Remuneration	592,117	596,790
	Performance Bonus	44,346	-
	Car and Other Allowances	113,923	72,000
	Company Contributions to UIF, Medical and Pension Funds	1,547	1,547
	Total	751,933	670,337
26	**REMUNERATION OF COUNCILLORS**		
	Mayor	424,577	406,682
	Councillors	1,546,956	1,275,104
	Other Allowances (Cellular Phones, Housing, Transport, etc)	441,533	535,891
	Telephone Allowance	124,451	126,120
	Travelling Allowance	317,082	409,771
	Total Councillors' Remuneration	2,413,066	2,217,677
	In-kind Benefits		
	The Councillors occupying the positions of Mayor, Speaker and one member of the Executive Committee of the municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the municipality in order to enable them to perform their official duties.		
	The Mayor has use of a Council owned vehicle for official duties.		
27	**DEPRECIATION AND AMORTISATION**		
	Depreciation: Property, Plant and Equipment	27,788,413	26,195,487
	Amortisation: Intangible Assets	250,390	518,009
	Depreciation: Investment Property	-	7,281
	Total Depreciation and Amortisation	28,038,803	26,720,777
	Depreciation and Amortisation:		
	Amortisation: Intangible Assets	250,390	518,009
	Depreciation: Property, Plant and Equipment	31,148,758	26,202,768
	Total Depreciation and Amortisation	31,399,147	26,720,777
		3,360,344.68	
	Attributable to:		
	Continuing Operations	28,038,803	26,720,777
	Discontinued Operations	-	-
		28,038,803	26,720,777
28	**IMPAIRMENT LOSSES**		
	28.1 Impairment Losses on Fixed Assets		
	Impairment Losses Recognised:	227,349	-
	Property, Plant and Equipment	227,349	-
		227,349	-
	28.2 Impairment Losses on Financial Assets		
	Impairment Losses Recognised:	1,866,696	6,007,905
	Long-term Receivables	-	-
	Receivables from Exchange Transactions	-	6,007,905
	Receivables from Non-exchange Transactions	1,866,696	-
	Loans carried at Amortised Cost	-	-
	Impairment Losses Reversed:	(73,021)	-
	Long-term Receivables	-	-
	Receivables from Exchange Transactions	(73,021)	-
	Loans carried at Amortised Cost	-	-
		2,021,025	6,007,905

		2012 R	2011 R
29	**FINANCE COSTS**		
	Bank Overdraft	35	937
	Finance Leases	75,864	70,899
	Loans and Payables at amortised cost	51,122	130,961
	Total Interest Expense	127,021	202,797
	Less: Amounts included in the Cost of qualifying Assets	-	-
	Total Interest Paid on External Borrowings	**127,021**	**202,797**
	Attributable to:		
	Continuing Operations	127,021	202,797
	Discontinued Operations	-	-
		127,021	**202,797**
	The weighted average capitalisation rate on funds borrowed generally is 5,27% per annum (2008: 5,24% per annum).		
30	**BULK PURCHASES**		
	Electricity	13,845,436	10,810,525
	Water	255,364	200,488
	Total Bulk Purchases	**14,100,800**	**11,011,013**
	Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst Water is purchased from DWAF and "Boreholes".		
31	**CONTRACTED SERVICES**		
	Other Contracted Services	3,589,523	4,404,688
	Total Contracted Services	**3,589,523**	**4,404,688**
	Attributable to:		
	Continuing Operations	3,589,523	4,404,688
	Discontinued Operations	-	-
		3,589,523	**4,404,688**
32	**GENERAL EXPENSES**		
	Included in General Expenses are the following:		
	Advertising	94,621	35,323
	Audit Fees	2,002,989	1,636,883
	Bank Charges	238,332	190,700
	Chemicals and Poison	301,523	259,718
	Cleaning Costs	55,496	47,080
	Consumer Debtors	2,302,750	1,827,069
	Entertainment	97,151	30,231
	Fuel and Oil	951,687	776,530
	Indigent Support	6,626,115	5,771,029
	Insurance	686,920	576,721
	Lease Charges	177,385	466,756
	Local Economical Development	485,454	465,327
	Legal Costs	85,959	385,208
	Library	345,836	-
	Licenses	55,386	41,689
	Membership Fees	201,623	141,793
	Materials and Stocks	78,922	113,349
	Special programs - 100 Houses Noupoort	1,664,036	1,619,834
	Special programs - Bulk Water Leanerships	253,000	-
	Special programs - Solar Geyzer	59,300	-
	Other General Expenses	1,594,399	1,620,761
	Postage and Telegrams	135,381	164,471
	Printing and Stationery	194,225	226,698
	Special programs	51,408	89,781
	Subsistence and Travelling	1,300,403	929,470
	Town Planing	10,971	184,345
	Telephone Cost	776,157	752,210
	Training Costs	75,009	34,077
	Traffic	3,670,187	(76,645)
	Youth Develpment	-	111,732
	Uniforms and Protective Clothing	44,984	51,136
	Total General Expenses	**24,617,606**	**18,473,277**

	2012 R	2011 R

32 GENERAL EXPENSES (continued)

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense.

32.1 Material Losses	**10,132,922**	**-**
Theft	20,501	-
Distribution Losses:		
Electricity Losses	3,395,129	-
Water Losses	6,717,292	-

The amounts disclosed above for **Electricity and Water Losses** are in respect of costs incurred in the general management of the municipality and not directly attributable to a specific service or class of expense (See Note 46.9).

33 OTHER GAINS AND LOSSES

Change in Fair Value of Investment Property	1,416,652	-
Net Other Gains and Losses	**1,416,652**	**-**

34 CORRECTION OF ERROR

Corrections were made and appropriated to the Accumulated Surplus Account during the financial years ended 30 June.

Details of the appropriations are as follows:

Statement of Financial Position:		
Inventory	370,300	370,300
Trade Receivables from Exchange Transactions	267,039	267,039
Trade Receivables from Non-Exchange Transactions	(1,364,451)	(1,364,451)
VAT Payable	9,754,891	9,754,891
Property, Plant and Equipment	97,575,112	97,575,112
Intangible Assets	410,178	410,178
Creditors	275,762	275,762
Unspent Conditional Grants and Receipts	(386,470)	(386,470)
Long-term Liabilities	(266,380)	(266,380)
Non-current Provisions	(4,280,131)	(4,280,131)
Accumulated Surplus / (Deficit) - Prior Year Adjustments	(101,589,253)	(101,589,253)
Accumulated Surplus / (Deficit) - (Surplus) / Deficit for the Year	(766,597)	(766,597)
	-	-

Statement of Financial Performance:	
Service Charges	(18,898)
Property Rates	7,523
Licences and Permits	(164,196)
Government Grants and Subsidies Received	(4,529,381)
Other Income	(561,803)
Employee Related Costs	285,579
Depreciation and Amortisation	(1,310,328)
Repairs and Maintenance	1,023,930
Impairment Losses	2,064,100
Finance Costs	15,902
General Expenses	2,420,974
	(766,597)

34.1 Reclassification of Revenue:

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

Details of the appropriations are as follows:	**2012/2011 Revenue**	**2011/2010 Revenue**	**Restated Amount**
Service Charges	30,058,791	30,300,090	(241,298)
Rental of Facilities and Equipment	407,712	335,595	72,117
Other Income	3,971,276	3,409,494	169,181
	34,437,780	**34,045,179**	**-**

34.2 Reclassification of Expenditure:

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

Details of the appropriations are as follows:	**2012/2011 Expenditure**	**2011/2010 Expenditure**	**Restated Expenditure**
Employee Related Costs	25,041,119	23,887,194	868,346
Repairs and Maintenance	2,303,465	2,159,961	(755,258)
Contracted Services	4,404,688	673,000	3,731,688
Grants and Subsidies Paid	-	2,826,220	(2,826,220)
General Expenses	18,473,277	17,070,859	(1,018,556)
	50,222,549	**46,617,233**	**-**

		2012 R	2011 R

34 **CORRECTION OF ERROR (continued)**

34.3 Reclassification of Statement of Financial Position:

Details of the appropriations are as follows:	2012/2011 Revenue	2011/2010 Revenue	Restated Amount
Receivables from Exchange Transactions	13,429,584	17,410,246	(3,973,250)
Receivables from Non-exchange Transactions	3,970,983	1,409,209	3,918,701
Cash and Cash Equivalents	1,506,197	2,199,780	(693,583)
Payables	(6,149,453)	(6,608,210)	301,288
Unspent Conditional Grants and Receipts	(8,481,275)	(7,848,066)	(246,739)
VAT Payable	-	(14,326)	(1,461,991)
VAT Provision	(6,686,960)	(8,148,951)	1,461,991
Bank Overdraft	-	(693,583)	693,583
	(2,410,925)	(2,293,900)	-

34.4 Misstatement of Other and Intangibles Assets

During the 2012 financial year the municipality did a new verification of all Other Assets as well as Intangible Assets. The prior period figures needed to be adjusted accordingly to the 2012 Fixed Asset Register. The amount was corrected retrospectively.

The effect of the Correction of Error is as follows:

Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(830,599)	(1,400,235)
(Increase) / decrease in Property, Plant and Equipment	420,421	420,421
(Increase) / decrease in Intangible Assets	410,178	410,178
Statement of Financial Performance:		
(Increase) / decrease in Depreciation and Amortisation	-	569,636
	-	-

34.5 Income recognized as per GRAP 23

The municipality was allocated an amount of R500 000 in the 2008/2009 financial year from DWAFF for drought relief. This amount was only received in the current financial year. Correction was needed to be done to the accumulated surplus account as this amount should have been allocated to Grants and Subsidies Received in the Statement of Financial Performance the 2008/2009 financial year to comply with GRAP 23. This was retrospectively corrected.

The effect of the Correction of Error is as follows:

Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	500,000	500,000
(Increase) / decrease in Unspent Conditional Grants	(500,000)	(500,000)
	-	-

34.6 Correction of Assessment Rates

During the 2010/2011 financial year the Municipality incorrectly calculated assessment rates. These amounts was corrected in the current 2011/2012 financial year and is allocated to the Accumulated Surplus. This was retrospectively corrected.

The effect of the Correction of Error is as follows:

Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	7,523	
Increase / (decrease) in Trade receivables from Exchange transactions	(7,523)	(7,523)
Statement of Financial Performance:		
(Increase) / decrease in Assessment Property Rates	-	7,523
	-	-

34.7 Correction to Trade Creditors in Prior Years

In the years preceding the 2010 financial year, the municipality accrued for creditors to be paid in the following financial year(s). these payments were however allocated to the expense votes, resulting the overstatement of the relating expenses and creditors. these incorrect allocations / mispostings have been subsequently corrected.

The effect of the Correction of Error is as follows:

Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	9,334	9,334
(Increase) / decrease in Creditors from Exchange Transactions	(9,334)	(9,334)
	-	-

		2012 R	2011 R
34	**CORRECTION OF ERROR (continued)**		
	34.8 Correction of Control account		
	The municipality provided for a sundry debtor for amounts that was overspend on the building of 126 houses in Noupoort in the prior years. All the houses were finished prior to the 2010/2011 financial years and this amount will not be paid back from the founder. This was corrected retrospectively.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	27,738	27,738
	Increase / (decrease) in Trade receivables from Non-exchange transactions	(27,738)	(27,738)
		-	-
	34.9 Correction of MFMA Control Account		
	The municipality used the MFMA and MSIG grant in the 2010/2011 year fund expenses incurred. These expenses was not classified as such in the Statement of Performance, but rather in corrected debited to the grant unspent portion.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	1,278,088	
	Increase / (decrease) in Trade receivables from Non-exchange transactions	(1,278,088)	(1,278,088)
	Statement of Financial Performance:		
	Increase / (decrease) in General Expenses	-	1,278,088
		-	-
	34.10 Correction to Sundry Debtors		
	In the 2009/2010 financial year, an amount of R101 489 was wrongly allocated under Sundry Debtors. This amount had to be allocated to the Electricity Services Charges in the Statement of Financial Performance.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	101,489	101,489
	Increase / (decrease) in Trade receivables from Non-exchange transactions	(101,489)	(101,489)
		-	-
	34.11 Correction to Grant Control Account		
	The amount received from Department of Arts and Culture in the 2009/2010 was not correctly allocated to the Statement of Financial Performance under Grants and Subsidies Received.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(86,048)	(86,048)
	(Increase) / decrease in Unspent Conditional Grants & Receipts	86,048	86,048
		-	-
	34.12 Employment cost not correctly allocated.		
	Employment cost in the salary control account was not correctly allocated in the 2010/2011 and prior to that. This was retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	130,484	6,120
	(Increase) / decrease in Creditors from Exchange Transactions	(130,484)	(130,484)
	Statement of Financial Performance:		
	Increase / (decrease) in Employment Costs		124,364
		-	-

		2012 R	2011 R
34	**CORRECTION OF ERROR (continued)**		
	34.13 Misstatement of Traffic Fines Control Account		
	The amount stated under Traffic Control Account was incorrectly allocated as this control account should have been nil.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(218,943)	-
	(Increase) / decrease in Creditors from Exchange Transactions	218,943	218,943
	Statement of Financial Performance:		
	Increase / (decrease) in General Expenses	-	(218,943)
		-	-
	34.14 Recognition of Grant Income and PPE Assets		
	Amounts received from Department of Safety and the Lotto for the building of a new Taxi Ranks and the upgrade of the Lowryville Sportkompleks was never before recognized correctly. These amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(4,447,534)	(1,145,386)
	Increase / (decrease) in Property, Plant and Equipment	4,420,052	4,420,052
	(Increase) / decrease in Unspent Conditional Grants & Receipts	27,482	27,482
	Statement of Financial Performance:		
	(Increase) / decrease in Grants and Subsidies Received		(2,909,547)
	Increase / (decrease) in Other Income		(392,601)
		-	-
	34.15 VAT Review		
	A VAT review was done by Max Prof. Consultants to correct the VAT that could be claimed by the Municipality in the prior years. These amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(1,476,317)	(695,741)
	Increase / (decrease) in VAT Payable	1,476,317	1,476,317
	Statement of Financial Performance:		
	Increase / (decrease) in General Expenses	-	(780,576)
		-	-
	34.16 TVS Traffic Systems Payment		
	The June 2011 invoice from TVS Traffic Systems was not provided under Trade Creditors in the 2010/2011 financial year. This invoice was only paid in July 2011 but relates to the 2010/2012 financial year.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	142,297	-
	(Increase) / decrease in Creditors from Exchange Transactions	(142,297)	(142,297)
	Statement of Financial Performance:		
	Increase / (decrease) in General Expenses		142,297
		-	-

		2012 R	2011 R
34	**CORRECTION OF ERROR (continued)**		
	34.17 Long Services Awards		
	No provision was previously done for Long Services Awards for the Municipality. Arch Consultants did the provision and these amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	911,801	750,586
	(Increase) / decrease in Non-Current Provisions	(911,801)	(911,801)
	Statement of Financial Performance:		
	Increase / (decrease) in Employment Costs	-	161,215
		-	-
	34.18 Land-Held-For-Sales		
	It was found that property was incorrectly allocated under Land and Buildings (PPE) in the prior years, where it should have been allocated under Inventory (Land-Held-For-Sale). These amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	Increase / (decrease) in Inventory	370,300	370,300
	(Increase) / decrease in Property, Plant and Equipment	(370,300)	(370,300)
		-	-
	34.19 Finance Leases Understated		
	After recalculating the finance lease liability for 2011, it was noted that the amount stated under Long-term Liabilities was understated by R266 379. It was also noted that the amount disclosed under finance charges was understated. This was corrected retrospectively.		
	The effect of the Correction of Error is as follows:		
	(Increase) / decrease in Accumulated Surplus	266,380	-
	(Increase) / decrease in Long-term Liabilities	(266,380)	(266,380)
	Statement of Financial Performance:		
	Increase / (decrease) in Finance Charges	-	15,902
	Increase / (decrease) in General Expenses	-	250,477
		-	-
	34.20 SARS EMP501 Refund		
	The Municipality received a refund from SARS for overpayment of Employee Tax in 2006. There was no provision made in the prior years. The this corrected retrospectively.		
	The effect of the Correction of Error is as follows:		
	(Increase) / decrease in Accumulated Surplus	(50,387)	(50,387)
	(Increase) / decrease in Trade receivables from Non-exchange transactions	50,387	50,387
		-	-
	34.21 GRAP 23 Grant Income		
	The Municipality received funds to build 100 Houses in Noupoort. This was not allocated under grants received in the Statement of Performance in the previous years.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Performance:		
	(Increase) / decrease in Grants and Subsidies Received	-	(1,619,834)
	Increase / (decrease) in General Expenses	-	1,619,834
		-	-

		2012 R	2011 R
34	**CORRECTION OF ERROR (continued)**		
	34.22 Correction to Other Creditors		
	On amount of R64 906 was incorrectly allocated under Creditors in the previous years. This amount was carries over from the 2006 Financial Year. A consolidation was done where an amount of R 18 033 should have been allocated to Skills Development Fund and the rest of the amount was for unknown deposits received prior to 2006.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(46,873)	(46,873)
	(Increase) / decrease in Creditors from Exchange Transactions	46,873	46,873
		-	-
	34.23 Non - Current Provision		
	The Provision of Rehabilitation for Landfill sites needed to be adjusted as per IGRAP2		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	3,806,368	2,907,606
	Increase / (decrease) in Property, Plant and Equipment	(438,039)	(438,039)
	(Increase) / decrease in Non-current provision	(3,368,330)	(3,368,330)
	Statement of Financial Performance:		
	Increase / (decrease) in Repairs & Maintenance	-	898,762
		-	-
	34.24 Traffic Agency Fees		
	The income received from Traffic Agency Fees was not corrected allocated to the Statement of Financial Performance, but to a control account under Creditors. These amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(164,196)	
	(Increase) / decrease in Creditors from Exchange Transactions	164,196	164,196
	Statement of Financial Performance:		
	(Increase) / decrease in License and Permits		(164,196)
		-	-
	34.25 Investment Clearance Account		
	The Municipality incorrectly allocated town planning expenses to an investment clearance account in the 2011 financial year. These expenses should have been allocated to the Statement of Financial Performance. These amounts were retrospectively corrected.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	105,115	(24,681)
	Increase / (decrease) in Property, Plant and	(114,798)	(114,798)
	(Increase) / decrease in Creditors from Exchange Transactions	9,683	9,683
	Statement of Financial Performance:		
	Increase / (decrease) in General Expenses		129,796
		-	-
	34.26 Misstatement of Infrastructure Assets		
	During the 2012 financial year the municipality did a new verification of all Infra Structure, Land & Buildings and Community Assets. The prior period figures needed to be adjusted accordingly to the 2012 Fixed Asset Register. The amount was corrected retrospectively.		
	The effect of the Correction of Error is as follows:		
	Statement of Financial Position:		
	(Increase) / decrease in Accumulated Surplus	(151,697,016)	(153,177,397)
	Increase / (decrease) in Property, Plant and	151,697,016	151,697,016
	Statement of Financial Performance:		
	Increase / (decrease) in Depreciation and Amortisation		1,480,381
		-	-

	2012 R	2011 R
34 CORRECTION OF ERROR (continued)		
34.27 Misstatement of Infrastructure Assets		
During the 2012 financial year the municipality did a new verification of all Infra Structure, Land & Buildings and Community Assets. The prior period figures needed to be adjusted accordingly to the 2012 Fixed Asset Register. It was also found that some of the properties under Community Assets and Land & Buildings was overstated due to incorrect market value. These amounts was corrected retrospectively. Furthermore it was found that 13 properties was incorrectly corrected.		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	58,039,240	61,399,584
Increase / (decrease) in Property, Plant and Equipment	(58,039,240)	(58,039,240)
Statement of Financial Performance:		
Increase / (decrease) in Depreciation and Amortisation		(3,360,345)
	-	-
34.28 Misstatement of VAT Control Account for 2011		
It was found that the amount of R1 272 565.98 for the April 2011 VAT period was not received in the 2011 from SARS. It was also noted that no provision was also made for the amount outstanding. This amount was corrected retrospectively.		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(1,272,566)	(1,272,566)
(Increase) / decrease in VAT Payable	1,272,566	1,272,566
	-	-
34.29 Error identified in VAT output account		
During the year it was found that the VAT output account does not agree to the consumers age analysis. On further investigation it was found that this is the result of legacy issues and this has been retrospectively corrected.		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(3,822,519)	(3,822,519)
(Increase) / decrease in VAT Payable	3,822,519	3,822,519
	-	-
34.30 Error identified in Payables		
After investigation it was found the following creditor listed		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(118,182)	(74,148)
(Increase) / decrease in Creditors from Exchange Transactions	118,182	118,182
Statement of Financial Performance:		
Increase / (decrease) in Repairs & Maintenance		125,168
(Increase) / decrease in Other Income		(169,202)
	-	-
34.31 Error identified in Services Charges		
An estimate needed to be done for the last 5 days of the year end for revenue. This amounts was corrected retrospectively.		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(267,039)	(248,141)
(Increase) / decrease in Trade receivables from Exchange transactions	267,039	267,039
Statement of Financial Performance:		
(Increase) / decrease in Service Charges		(18,898)
	-	-

	2012 R	2011 R
34 CORRECTION OF ERROR (continued)		
34.32 Error identified on VAT - Impairment of debtors		
Correction was done as no VAT was taken into account on the Impairment of loans and receivebles as per IAS 39. This amounts was corrected retrospectively.		
The effect of the Correction of Error is as follows:		
Statement of Financial Position:		
(Increase) / decrease in Accumulated Surplus	(3,183,488)	(5,247,588)
(Increase) / decrease in VAT Payable	3,183,488	3,183,488
Statement of Financial Performance:		
(Increase) / decrease in Impairment Losses		2,064,100
	-	-
35 CHANGE IN ACCOUNTING ESTIMATES		
35.1 Depreciation Expenditure:		
The residual values, estimated useful lives and depreciation method were reviewed at 30 June 2012. Adjustments to the residual values and useful lives affect the amount of depreciation for the current year and is expected to affect future periods as well. The adjustments are as follows:		
Increase / (Decrease) in Depreciation due to adjustments to Useful Lives of Intangible Assets	(162,204)	-
Increase / (Decrease) in Depreciation due to adjustments to Useful Lives of PPE	(54,123)	-
Increase / (Decrease) in Depreciation of PPE	**(216,327)**	**-**
Depreciation as previously stated	27,822,476	-
Adjustment due to Change in Accounting Estimate	216,327	-
Depreciation as per Note 27	**28,038,803**	**-**
36 CASH GENERATED BY OPERATIONS		
Surplus / (Deficit) for the Year	24,753,622	2,923,759
Adjustment for:		
Correction of Prior Year Errors	-	99,944,266
Appropriations to/from Internal Reserves	-	-
Depreciation and Amortisation	28,038,803	26,720,777
Impairment Losses on Property, Plant and Equipment	227,349	-
Gains on Disposal of Property, Plant and Equipment	407,042	-
Other Movement on Property, Plant and Equipment	-	(95,907,963)
Other Movement on Intangible Assets	-	(922,428)
Other Movement on Investment Properties	(1,416,652)	-
Contribution to Retirement Benefit Liabilities	200,069	-
Expenditure incurred from Retirement Benefit Liabilities	-	868,346
Contribution to Provisions - Non-current	1,193,973	4,782,471
Investment Income	(2,135,585)	(1,872,750)
Finance Costs	127,021	202,797
Operating surplus before working capital changes	**51,395,641**	**36,739,276**
Decrease/(Increase) in Inventories	26,471	(364,140)
Decrease/(Increase) in Receivables from Exchange Transactions	(8,135,590)	1,124,614
Decrease/(Increase) in Receivables from Non-exchange Transactions	1,511,790	(3,748,640)
Increase/(Decrease) in Consumer Deposits	50,010	11,933
Increase/(Decrease) in Payables	6,842,190	753,997
Increase/(Decrease) in Conditional Grants and Receipts	20,877,644	1,780,941
Increase/(Decrease) in VAT Payable	2,196,970	(11,356,371)
Cash generated by / (utilised in) Operations	**74,765,126**	**24,941,610**

37 NON-CASH INVESTING AND FINANCING TRANSACTIONS

The municipality did not enter into any Non-cash Investing and Financing Transactions during the 2011/12 financial year.

38 FINANCING FACILITIES

The municipality did not have any Financing Facilities available at any time during the two financial years.

		2012 R	2011 R
39	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities (See Note 15)	546,132	1,876,953
	Used to finance Property, Plant and Equipment - at cost	(546,132)	(1,876,953)
	Sub-total	-	-
	Cash set aside for the Repayment of Long-term Liabilities (See Notes 5)	-	-
	Cash invested for Repayment of Long-term Liabilities	-	-

Long-term Liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash is available to ensure that Long-term Liabilities can be repaid on the scheduled redemption dates.

40 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

40.1 Unauthorised Expenditure

Reconciliation of Unauthorised Expenditure:		
Opening balance	28,464,652	570,400
Unauthorised Expenditure current year	33,375,404	27,894,252
Approved by Council or condoned 17th October 2012	(60,200,283)	-
Unauthorised Expenditure awaiting authorisation	1,639,773	28,464,652

Incident	Disciplinary Steps / Criminal Proceedings
Budgeted votes exceeded:-	*To be condoned by Council*
- Executive and Council - R0 (2011: R86 236)	*None*
- Finance and Administration - R4 113 632 (2011: R0)	*None*
- Planning and Development - R8 352 863 (2011: R7 362)	*None*
- LED and IDP - R22 441 (2011: R0)	*None*
- Community and Social Services - R3 538 990 (2011: R11 406)	*None*
- Housing - R1 653 072 (2011: R9 246)	*None*
- Public Safety - R3 530 707 (2011: R0)	*None*
- Waste Management - R11 303 562 (2011: R25 071 186)	*None*
- Electricity - R1 951 112 (2011: R2 708 816)	*None*

40.2 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful expenditure:		
Opening balance	-	-
Fruitless and Wasteful Expenditure current year	35	-
Fruitless and Wasteful Expenditure awaiting condonement	35	-

Incident	Disciplinary Steps / Criminal Proceedings
Interest on late payment - Various Creditors - R35 (2011: R0)	*None*

40.3 Irregular Expenditure

To management's best of knowledge instances of note indicating that Irregular Expenditure was incurred during the year under review were not revealed.

Reconciliation of Irregular Expenditure:		
Opening balance	2,168,113	-
Irregular Expenditure current year	4,291,050	2,168,113
Condoned or written off by Council on 17th October 2012	(6,438,662)	-
To be recovered – contingent asset (see Note 47)		-
Transfer to receivables for recovery (see Note 5)	(20,501)	-
Irregular Expenditure awaiting condonement	-	2,168,113

Incident	Disciplinary Steps / Criminal Proceedings
Fraud	*Mr. Percy Mugwedi was charged with fraud for the estimate amount of R100 000 at the beginning of the 2012/2013 financial year, but relates to the current financial year. An investigation is still underway.*
During the year a Ms Nomzamo Maciki was formally charged with theft, gross dishonesty and failure to obey lawful and reasonable instructions by a person. Having the authority to do so.	*The incident was reported to all institutions and all required steps were taken. Ms Maciki was formally charged and the court case is still in progress. The amount of R20 501 is included under other debtors to be recovered.*
Deviations for the Procurement Process	*During the year deviations amounting to R4 270 549 (2010: R2 168 113) were identified relating less than the minimum quotations obtained. These items were identified in the current year after a detailed investigation by management. The register containing the detail of the total balance is available for inspection, based on the discretion of management. No disciplinary steps have been taken to date and no formal investigation into the matters have been launched. A report relating the deviations was adopted by the council and approved by the Municipal Manger.*

		2012 R	2011 R
41	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
	41.1 Contributions to organised local government - SALGA		
	Opening Balance	-	-
	Council Subscriptions	201,623	141,793
	Amount Paid - current year	(201,623)	(141,793)
	Amount Paid - previous years	-	-
	Balance Unpaid (included in Creditors)	-	-
	41.2 Audit Fees		
	Opening Balance	-	-
	Current year Audit Fee	1,819,076	1,636,883
	Amount Paid - current year	(1,819,076)	(1,636,883)
	Amount Paid - previous years		-
	Balance Unpaid (included in Creditors)	-	-
	41.3 VAT		
	The net of VAT input payables and VAT output receivables are shown in Note 14. All VAT returns have been submitted by the due date throughout the year.		
	41.4 PAYE, Skills Development Levy and UIF		
	Opening Balance	-	-
	Current year Payroll Deductions	3,603,561	2,571,400
	Amount Paid - current year	(3,603,561)	(2,571,400)
	Amount Paid - previous years	-	-
	Balance Unpaid (included in Creditors)	-	-
	41.5 Pension and Medical Aid Deductions		
	Opening Balance	-	-
	Current year Payroll Deductions and Council Contributions	4,740,724	4,401,072
	Amount Paid - current year	(4,740,724)	(4,401,072)
	Amount Paid - previous years	-	-
	Balance Unpaid (included in Creditors)	-	-

41.6 Councillor's arrear Consumer Accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30 June 2012	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Councillor Sestile MA	9,923	-	9,923
Total Councillor Arrear Consumer Accounts	9,923	-	9,923

30 June 2011	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Councillor Batties N.J.	3,238	192	3,046
Total Councillor Arrear Consumer Accounts	3,238	192	3,046

41.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

No known matters existed at reporting date.

41.8 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager and noted by Council.

Deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were submitted to Council on a quarterly basis by the CFO, which condoned the various cases.

41.9 Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:				
Purchased during the year		units (kWh)	24,399,180	-
Sold during the year		units (kWh)	(18,111,904)	-
Unaccounted		units (kWh)	6,287,276	-
Normal distribution losses - % of electricity purchases	8.00%	units (kWh)	(1,951,934)	-
Loss		units (kWh)	4,335,342	-
Loss %			17.77%	-
Loss (R):	R0.54	Avg cent per kWh	2,341,084	-

Electricity Losses occur due to *inter alia*, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections. The municipality is currently busy with an audit of bulk meters to find faulty meters and repair them. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

				2012 R	2011 R
41	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)**				
	Water:				
	Purified during the year		units (kl)	2,831,925	
	Sold during the year		units (kl)	(1,091,694)	
	Unaccounted		units (kl)	1,740,231	
	Normal distribution losses - % of Water distribution	15.00%	units (kl)	(424,789)	
	Loss		units (kl)	1,315,442	
	Loss %			46.45%	-

		Lost Units	Tariff	Value
30 June 2012	Unaccounted Water Losses	1,315,442	3.8600	5,077,607

Water Losses occur due to *inter alia* , leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The municipality is currently busy with an audit of bulk meters to find faulty meters and repair them. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported.

42	**COMMITMENTS FOR EXPENDITURE**		
	42.1 Capital Commitments		
	Commitments in respect of Capital Expenditure:		
	- Approved and Contracted for:-	**78,528,200**	**63,380,524**
	Infrastructure	78,062,823	63,380,524
	Other	465,377	-
	- Approved but Not Yet Contracted for:-	-	-
	Infrastructure	-	-
	Total Capital Commitments	**78,528,200**	**63,380,524**
	This expenditure will be financed from:		
	Government Grants	78,528,200	63,380,524
		78,528,200	**63,380,524**
	42.2 Lease Commitments		
	Finance Lease Liabilities are disclosed in Notes 15.		
43	**FINANCIAL INSTRUMENTS**		
	43.1 Classification		
	FINANCIAL ASSETS:		
	In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:		

Financial Assets	**Classification**		
Receivables from Exchange Transactions			
Electricity	Loans and receivables	2,510,976	1,419,794
Refuse	Loans and receivables	6,435,637	3,694,687
Sewerage	Loans and receivables	4,105,896	2,323,137
Water	Loans and receivables	8,320,648	4,931,187
Other Receivables	Loans and receivables	459,055	1,327,819
Receivables from Non-exchange Transactions			
Assessment Rates Debtors	Loans and receivables	2,208,972	3,569,735
Payments made in Advance	Loans and receivables	(425)	1,894
Government Subsidy Claims	Loans and receivables		
Sundry Debtors	Loans and receivables	250,646	399,354
Cash and Cash Equivalents			
Notice Deposits	Held to maturity	20,375,014	405,486
Bank Balances	Available for sale	11,618,366	1,098,011
Cash Floats and Advances	Available for sale	1,580	1,580

			2012 R	2011 R
43	**FINANCIAL INSTRUMENTS (continued)**			
	SUMMARY OF FINANCIAL ASSETS			
	Receivables from Exchange Transactions	Electricity	2,510,976	1,419,794
	Receivables from Exchange Transactions	Refuse	6,435,637	3,694,687
	Receivables from Exchange Transactions	Sewerage	4,105,896	2,323,137
	Receivables from Exchange Transactions	Water	8,320,648	4,931,187
	Receivables from Exchange Transactions	Other Debtors	459,055	1,327,819
	Receivables from Non-exchange Transactions	Assessment Rates Debtors	2,208,972	3,569,735
	Receivables from Non-exchange Transactions	Payments made in Advance	(425)	1,894
	Receivables from Non-exchange Transactions	Government Subsidy Claims		
	Receivables from Non-exchange Transactions	Sundry Debtors	250,646	399,354
	Cash and Cash Equivalents	Notice Deposits	20,375,014	405,486
			44,666,420	18,073,092
	Available for Sale:			
	Cash and Cash Equivalents	Call Deposits		
	Cash and Cash Equivalents	Bank Balances	11,618,366	1,098,011
	Cash and Cash Equivalents	Cash Floats and Advances	1,580	1,580
			11,619,946	1,099,591
	Total Financial Assets		56,286,367	19,172,683

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities	Classification		
Long-term Liabilities			
Annuity Loans	Financial liabilities at amortised cost		83,063
Finance Lease Liabilities	Financial liabilities at amortised cost	294,563	462,952
Payables			
Trade Creditors	Financial liabilities at amortised cost	9,840,438	3,355,565
Staff Bonuses	Financial liabilities at amortised cost	667,394	634,832
Staff Leave Accrued	Financial liabilities at amortised cost	1,514,339	1,172,418
Sundry Deposits	Financial liabilities at amortised cost	64,807	64,807
Other Creditors	Financial liabilities at amortised cost	786,482	803,650
Current Portion of Long-term Liabilities			
Annuity Loans	Financial liabilities at amortised cost		1,115,672
Finance Lease Liabilities	Financial liabilities at amortised cost	168,389	215,266

SUMMARY OF FINANCIAL LIABILITIES

Financial Liabilities at Amortised Cost:			
Long-term Liabilities	Annuity Loans		83,063
Long-term Liabilities	Finance Lease Liabilities	294,563	462,952
Payables	Trade Creditors	9,840,438	3,355,565
Payables	Staff Bonuses	667,394	634,832
Payables	Staff Leave Accrued	1,514,339	1,172,418
Payables	Sundry Deposits	64,807	64,807
Payables	Other Creditors	786,482	803,650
Current Portion of Long-term Liabilities	Annuity Loans		1,115,672
Current Portion of Long-term Liabilities	Finance Lease Liabilities	168,389	215,266
		13,419,593	7,908,224
Total Financial Liabilities		13,419,593	7,908,224

43.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash and Short-term Investments
The carrying amount approximates fair value because of the short maturity of those instruments.

Available-for-sale investments
The fair values of some investments are estimated, based on quoted market prices of those or similar investments. Unlisted equity investments are estimated using the discounted cash flow method

	2012 R	2011 R

43 FINANCIAL INSTRUMENTS (continued)

Loan Receivables/Payables

Interest-bearing Borrowings and Receivables are generally at interest rates in line with those currently available in the market on a floating-rate basis, and therefore the Fair Value of these Financial Assets and Liabilities closely approximates their carrying values. Fixed interest-rate instruments are fair valued based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and Other Receivables/Payables

The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

Other Financial Assets and Liabilities

The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Long-term Liabilities

The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 30 June 2011, as a result of the short-term maturity of these assets and liabilities.

The Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30 June 2012		30 June 2011	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
FINANCIAL ASSETS				
Measured at Amortised Cost:	44,666,420	44,666,420	18,073,092	18,073,092
Notice Deposits	20,375,014	20,375,014	405,486	405,486
Trade Receivables from Exchange Transactions	21,832,213	21,832,213	13,696,623	13,696,623
Trade Receivables from Non-exchange Transactions	2,459,193	2,459,193	3,970,983	3,970,983
Measured at Fair Value	11,619,946	11,619,946	1,099,591	1,099,591
Bank Balances and Cash	11,619,946	11,619,946	1,099,591	1,099,591
Total Financial Assets	56,286,367	56,286,367	19,172,683	19,172,683
FINANCIAL LIABILITIES				
Measured at Amortised Cost:	13,419,593	13,419,593	7,908,224	7,908,224
Annuity Loans	-	-	83,063	83,063
Finance Lease Liabilities	294,563	294,563	462,952	462,952
Trade and Other Payables:				
- Creditors	12,873,461	12,873,461	6,031,271	6,031,271
- Current Portion of Long-term Liabilities	251,569	251,569	1,330,938	1,330,938
Total Financial Liabilities	13,419,593	13,419,593	7,908,224	7,908,224
Total Financial Instruments	42,866,774	42,866,774	11,264,458	11,264,458
Unrecognised Gain / (Loss)		-		

No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

Level 1:-
Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-
Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-
Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

		2012 R	2011 R

43 **FINANCIAL INSTRUMENTS (continued)**

30 June 2012

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Notice Deposits	-	20,375,014		20,375,014
Bank Balances and Cash	-	11,619,946		11,619,946
Total Financial Assets	-	31,994,961		31,994,961
FINANCIAL LIABILITIES				
Financial Instruments at Fair Value:				
Finance Lease Liabilities	-	294,563		294,563
Total Financial Liabilities	-	294,563		294,563
Total Financial Instruments	-	31,700,398		31,700,398

30 June 2011

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Notice Deposits	-	405,486		405,486
Bank Balances and Cash	-	1,099,591		1,099,591
Total Financial Assets	-	1,505,077		1,505,077
FINANCIAL LIABILITIES				
Financial Instruments at Fair Value:				
Annuity Loans	-	83,063		83,063
Finance Lease Liabilities	-	462,952		462,952
Total Financial Liabilities	-	546,014		546,014
Total Financial Instruments	-	959,062		959,062

43.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2011.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 15, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 18 and the Statement of Changes in Net Assets.

The capital structure of the municipality consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 20 and the Statement of Changes in Net Assets.

Gearing Ratio
In terms of the municipality's five year financial plan, financial benchmarks, year-on-year in respect of the debt-to-equity ratio, is reflected at 95,00%, reducing 90,00%. This aggressive ratio is as a result of the development challenges faced by the municipality. The rate of borrowing is well below market related rates.

The gearing ratio at the year-end was as follows:

Debt	546,132	1,876,953
Cash and Cash Equivalents	11,619,946	1,099,591
Net Debt	12,166,078	2,976,544
Equity	458,561,482	433,807,860
Net debt to equity ratio	**2.65%**	**0.69%**

Debt is defined as Long- and Short-term Liabilities.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

43.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Further quantitative disclosures are included throughout these Annual Financial Statements.

	2012 R	2011 R

43 FINANCIAL INSTRUMENTS (continued)

43.5 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:
- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Notes 47.8 and 47.9 to the Annual Financial Statements.

43.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 47.7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

43.6.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

43.6.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, such borrowing being below market related rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis
The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates.

43.7 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents
The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions short term credit rating of BBB and long-term credit rating of AA- and higher at an International accredited credit rating agency. The municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions, in accordance with it's investment policy. Consequently, the municipality is not exposure to any significant credit risk.

	2012 R	2011 R

43 FINANCIAL INSTRUMENTS (continued)

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on-going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

Long-term Receivables		3,516
Consumer Debtors	47,449,285	39,619,314
Other Debtors	4,325,889	3,970,983
Bank, Cash and Cash Equivalents	31,994,961	1,506,197
Maximum Credit and Interest Risk Exposure	**83,770,135**	**45,100,009**

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

43 FINANCIAL INSTRUMENTS (Continued)

43.8 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 43 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2012								
Non-Interest Bearing		0.00%	13,479,949	13,479,949	-	-	-	-
- Creditors			12,873,461	12,873,461	-	-	-	-
- Consumer Deposits			606,488	606,488				
Fixed Interest Rate Instruments			83,180	83,180	-	-	-	-
- Sanlam		15.00%	-	-	-	-	-	-
- DBSA Water		5.00%	-	-	-	-	-	-
- DBSA Vehicles		15.88%	83,180	83,180				
			13,563,130	**13,563,130**	**-**	**-**	**-**	**-**
30 June 2011								
Non-Interest Bearing		0.00%	6,587,750	6,587,750	-	-	-	-
- Creditors			6,031,271	6,031,271	-	-	-	-
- Consumer Deposits			556,479	556,479				
Fixed Interest Rate Instruments			1,198,566	1,115,672	82,894	-	-	-
- Sanlam		15.00%	97,237	97,237	-	-	-	-
- DBSA Water		5.00%	154,514	71,620	82,894	-	-	-
- DBSA Vehicles		15.88%	946,815	946,815				
			7,786,316	**7,703,422**	**82,894**	**-**	**-**	**-**

43.9 Other Price Risks

The municipality is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The municipality does not actively trade these investments.
The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

	2012	2011
	R	R

44 MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-
(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R16,7 million (2010: R14,2 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

DEFINED BENEFIT SCHEMES

Municipal Councillors Pension Fund:
The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 28 February 2008.

The statutory valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R1 483, 786 381 (30 June 2009: R1 341, 935 205) million. The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

Cape Joint Pension Fund:
The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011.

The statutory valuation performed as at 30 June 2011 revealed that the investment reserve of the fund amounted to R63,977 (30 June 2010: R190,464) million, with a funding level of 98,1% (30 June 2010: 100,0%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

Cape Joint Retirement Fund:
The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011.

The statutory valuation performed as at 30 June 2011 revealed that the investment reserve of the fund amounted to R63,977 (30 June 2010: R190,464) million, with a funding level of 98,1% (30 June 2010: 100,0%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

SALA Pension Fund:
The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2010.

The statutory valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R7 110,3 (30 June 2009: R6 303,7) million, with funding levels of 96,0% (30 June 2009: 96,0%). The contribution rate paid by the members (8,6%) and Council (20,78%) is sufficient to fund the benefits accruing from the fund in the future.

	2012 R	2011 R

45 RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

45.1 Interest of Related Parties

Councillors and/or management of the municipality have relationships with businesses as indicated below:

Name of Related Person	Designation	Description of Related Party Relationship
AC Mpela	Municipal Manger	Director of Mthombo Sediba Development Agency (Article 21) and Member of Pride and Grace Trading and Projects cc
P Mosompha	Manger	Member of World Focus 684 cc
NS. Ntshudu	Official (SCM)	Member of Ntsukaze Trading cc
NL. Hermans	Councillor	Member of Woman in Property and Facilities Management cc
SG Mlenzana	Councillor	Member of Amachule Akwantu Art and Craft
S Ngalimani	Councillor	Member of Vukuzenzele Tuck Shop cc
MA Sestile	Councillor	Member of Kwazamuxolo Building and Maintenance Construction cc

45.2 Services rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
For the Year ended 30 June 2012				
Councillors	7,330	59,015	3,977	70,323
Municipal Manager and Section 57 Personnel	12,455	45,514	115	58,084
Total Services	**19,785**	**104,530**	**4,092**	**128,406**
For the Year ended 30 June 2011				
Councillors	8,313	49,989	8,599	66,901
Municipal Manager and Section 57 Personnel	12,103	41,115	98	53,316
Total Services	**20,416**	**91,105**	**8,697**	**120,217**

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

45.3 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004.

45.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 25 and 26 respectively, to the Annual Financial Statements.

45.5 Purchases from Related Parties

The municipality did not buy goods from any companies which can be considered to be Related Parties.

	2012 R	2011 R
46 CONTINGENT LIABILITIES		
46.1 Guarantees:	**6,000**	**6,000**
(i) ABSA Bank: A bank guarantee in the amount of R6 000 was issued in favour of Eskom	6,000	6,000
(ii) Eskom: The municipality issued a bank guarantee in favour of Eskom to increase its electricity demand to 40 MVA to be able to meet the increasing demand for electricity supply from consumers.	-	-
46.2 Court Proceedings:	**6,134,339**	**6,160,000**
(i) Komanisie Development is claiming loss of income and stock on a housing project to the amount of R8,300,000	6,000,000	6,000,000
(ii) Eviction of respondent. This case was resolved and no further possible liability exist	-	60,000
(iii) TMT is claiming R100 000 in terms of a speeding fine project.	100,000	100,000
(iv) P. Manzi. His contract was not renewed and the case is currently in arbitration. There is a possibility that one (1) months salary might be paid to P. Manzi	34,339	-
46.3 Landfill sites:	**10,000,000**	**10,000,000**
(i) In terms of section 68(1) of the Waste Management Act the municipality might receive a penalty of R10 million for not having a license to operate at the Norvalspont site.		
In accordance with section 68(1) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008), a person convicted of an offence referred to in section 67(1)(a), (g) or (h) is liable to a fine not exceeding R10 000 000 or to imprisonment for a period not exceeding 10 years, or to both such fine and such imprisonment, in addition to any other penalty or award that may be imposed or made.		
47 CONTINGENT ASSETS		
Mr. Percy Mugwedi was charged with fraud for the estimate amount of R100 000 at the beginning of the 2012/2013 financial year, but relates to the current financial year. An investigation is still underway.	**100,000**	

48 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any In-kind Donations and Assistance during the year under review.

49 PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

50 EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 30 June 2012.

51 COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 34).

APPENDIX A

UMSOBOMVU LOCAL MUNICIPALITY

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 June 2011	Redeemed/ Written Off during Period	Ineterst Charged during period	Redeemed/ Written Off during Period	Balance at 30 June 2012
	R				R	R			R
ANNUITY LOANS									
Development Bank of South Africa	4,000,000	5.00%	61000335	31/06/2012	946,984	(81,150)	26,121	(891,955)	-
DBSA	574,533	15.88%	61001728	31/06/2013	154,514	(46,642)	21,951	(46,642)	83,180
Total Annuity Loans	**4,574,533**				**1,101,498**	**(127,792)**	**48,072**	**(938,598)**	**83,180**
OTHER LOANS									
SANLAM	-	15.00%	NPT112F1	31/01/2012	92,315	-	4,922	(97,237)	-
Total Other Loans	**-**				**92,315**	**-**			**-**
TOTAL EXTERNAL LOANS	**4,574,533**				**1,193,813**	**(127,792)**	**48,072**	**(938,598)**	**83,180**

ANNUITY LOANS:

DBSA:

Structured unsecured 5 year loan for purchasing of new Service Delivery Vehicles. Original loan capital of R4 000 000 is repayable bi-annually in fixed instalments of capital and fixed rate interest.

DBSA:

Structured unsecured 25 year loan for upgarding of the water systems. Original loan capital of R574 533 is repayable bi-annually in fixed instalments of capital and fixed rate

APPENDIX A does not form part of the Annual Financial Statetements.

APPENDIX B
UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Historical Cost				Cost / Revaluation			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance
	R	R	R	R	R	R	R	R
Land and Buildings								
Land	30,774,057	-	(396,200)	30,377,857	30,774,057	-	(396,200)	30,377,857
Buildings	5,777,848	12,600	-	5,790,448	5,777,848	12,600	-	5,790,448
	36,551,905	**12,600**	**(396,200)**	**36,168,305**	**36,551,905**	**12,600**	**(396,200)**	**36,168,305**
Infrastructure								
Electricity:								
Electricity Network	57,906,194	2,398,036	-	60,304,230	57,906,194	2,398,036	-	60,304,230
Roads:								
Roads Network	313,904,339	-	-	313,904,339	313,904,339	-	-	313,904,339
Sewerage:								
Sewerage Network	83,859,697	13,433,032	-	97,292,728	83,859,697	13,433,032	-	97,292,728
Sanitation:								
Solid Waste Disposal	6,860,399	-	-	6,860,399	6,860,399	-	-	6,860,399
Water:								
Water Network	290,628,372	27,805,607	-	318,433,979	290,628,372	27,805,607	-	318,433,979
	753,159,001	**43,636,675**	**-**	**796,795,675**	**753,159,001**	**43,636,675**	**-**	**796,795,675**
Community Assets								
Buildings	9,627,056	352,634	-	9,979,690	9,627,056	352,634	-	9,979,690
Land	2,099,651	-	-	2,099,651	2,099,651	-	-	2,099,651
	11,726,707	**352,634**	**-**	**12,079,341**	**11,726,707**	**352,634**	**-**	**12,079,341**
Other Assets								
Computer Equipment								
Computer hardware including operating systems including operating systems	1,587,706	138,749	(19,742)	1,706,713	1,587,706	138,749	(19,742)	1,706,713
Furniture and Office Equipment:								
Air Conditioners Individual Fixed and Movable	196,236	28,845	-	225,081	196,236	28,845	-	225,081
Domestic and Hostel Furniture	120,746	-	-	120,746	120,746	-	-	120,746
Fixtures & Fittings	135,326	-	-	135,326	135,326	-	-	135,326
Office Equipment Including Fax Machines	267,077	-	(630)	266,447	267,077	-	(630)	266,447
Office Furniture	2,964,275	18,351	(4,902)	2,977,724	2,964,275	18,351	(4,902)	2,977,724

APPENDIX B
UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Machinery and Equipment:								
Audiovisual Equipment	140,545	28,969	(1,428)	168,085	140,545	28,969	(1,428)	168,085
Domestic Equipment (non kitchen appliances)	64,268	7,140	(344)	71,064	64,268	7,140	(344)	71,064
Electric Wire and Power Distribution Equipment (compressors / generato	39,155	-	(2,800)	36,355	39,155	-	(2,800)	36,355
Fire Fighting Equipment	28,631	-	-	28,631	28,631	-	-	28,631
Gardening Equipment	47,315	-	-	47,315	47,315	-	-	47,315
Kitchen Appliances	86,349	139	(560)	85,928	86,349	139	(560)	85,928
Medical and Allied Equipment	10,280	-	(474)	9,806	10,280	-	(474)	9,806
Music Instruments	42,304	-	-	42,304	42,304	-	-	42,304
Pumps Plumbing Purification Sanitation and Allied Equipment	30,998	-	-	30,998	30,998	-	-	30,998
Radio Equipment	31,363	-	-	31,363	31,363	-	-	31,363
Road Construction and Maintenance Equipment	2,410,864	-	-	2,410,864	2,410,864	-	-	2,410,864
Survey Equipment	3,891	-	-	3,891	3,891	-	-	3,891
Tractors	35,100	-	-	35,100	35,100	-	-	35,100
Workshop Equipment and Loose Tools Fixed	3,280	-	-	3,280	3,280	-	-	3,280
Workshop Equipment and Loose Tools Movable	491,850	113,070	(1,383)	603,537	491,850	113,070	(1,383)	603,537
Tansport Assets:								
Bakkies	875,162	122,936	-	998,097	875,162	122,936	-	998,097
Emergency Vehicles	485,167	-	-	485,167	485,167	-	-	485,167
Motor Vehicles	160,200	409,000	-	569,200	160,200	409,000	-	569,200
Trailers and Accessories	252,666	-	-	252,666	252,666	-	-	252,666
Trucks	1,300,428	-	-	1,300,428	1,300,428	-	-	1,300,428
	11,811,181	**867,198**	**(32,263)**	**12,646,116**	**11,811,181**	**867,198**	**(32,263)**	**12,646,116**
Total	**813,248,794**	**44,869,107**	**(428,463)**	**857,689,438**	**813,248,794**	**44,869,107**	**(428,463)**	**857,689,438**

UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Historical Cost				Cost / Revaluation			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance
	R	R	R	R	R	R	R	R
Investment Properties								
Land & Buildings	1,654,811	-	-	1,654,811	1,654,811	-	-	1,654,811
	1,654,811	**-**	**-**	**1,654,811**	**1,654,811**	**-**	**-**	**1,654,811**

UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Historical Cost				Cost / Revaluation			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance
	R	R	R	R	R	R	R	R
Intangible Assets								
Computer Software	1,559,400	91,081	-	1,650,481	1,559,400	91,081	-	1,650,481
	1,559,400	**91,081**	**-**	**1,650,481**	**1,559,400**	**91,081**	**-**	**1,650,481**
Total Asset Register	**816,463,004**	**44,960,188**	**(428,463)**	**860,994,730**	**816,463,004**	**44,960,188**	**(428,463)**	**860,994,730**

APPENDIX B does not form part of the Annual Financial Statetements.

APPENDIX B
UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Accumulated Depreciation				Accumulated Impairment			Accumulated Depreciation / Impairment				Carrying
Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
R	R	R	R	R	R	R	R	R	R	R	R
-	-	-	-	-	-	-	-	-	-	-	30,377,857
3,177,816	232,030	-	3,409,846	-	-	-	3,177,816	232,030	-	3,409,846	2,380,602
3,177,816	**232,030**	**-**	**3,409,846**	**-**	**-**	**-**	**3,177,816**	**232,030**	**-**	**3,409,846**	**32,758,459**
23,960,507	2,784,005	-	26,744,512	-	-	-	23,960,507	2,784,005	-	26,744,512	33,559,717
169,783,319	7,544,443	-	177,327,762	-	-	-	169,783,319	7,544,443	-	177,327,762	136,576,577
36,739,650	2,498,122	-	39,237,773	-	-	-	36,739,650	2,498,122	-	39,237,773	58,054,955
2,469,744	274,416	-	2,744,160	-	-	-	2,469,744	274,416	-	2,744,160	4,116,240
123,385,985	12,351,610	-	135,737,595	-	-	-	123,385,985	12,351,610	-	135,737,595	182,696,384
356,339,206	**25,452,597**	**-**	**381,791,802**	**-**	**-**	**-**	**356,339,206**	**25,452,597**	**-**	**381,791,802**	**415,003,873**
2,920,767	263,625	-	3,184,392	-	-	-	2,920,767	263,625	-	3,184,392	6,795,298
-	-	-	-	-	-	-	-	-	-	-	2,099,651
2,920,767	**263,625**	**-**	**3,184,392**	**-**	**-**	**-**	**2,920,767**	**263,625**	**-**	**3,184,392**	**8,894,949**
628,127	382,347	(12,457)	998,017	-	1,298	1,298	628,127	383,645	(12,457)	999,315	707,398
60,202	52,972	-	113,174	-	-	-	60,202	52,972	-	113,174	111,907
36,473	11,190	-	47,663	-	-	-	36,473	11,190	-	47,663	73,082
38,897	24,359	-	63,255	-	-	-	38,897	24,359	-	63,255	72,071
65,125	47,894	(284)	112,736	-	3,420	3,420	65,125	51,314	(284)	116,156	150,291
951,482	527,852	(2,537)	1,476,797	-	9,071	9,071	951,482	536,923	(2,537)	1,485,868	1,491,856

APPENDIX B
UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

38,030	27,828	(643)	65,215	-	-	-	38,030	27,828	(643)	65,215	102,870
21,925	16,029	(257)	37,697	-	383	383	21,925	16,411	(257)	38,080	32,984
14,657	6,488	(1,260)	19,885	-	-	-	14,657	6,488	(1,260)	19,885	16,470
7,320	8,589	-	15,909	-	-	-	7,320	8,589	-	15,909	12,722
26,140	7,788	-	33,928	-	-	-	26,140	7,788	-	33,928	13,387
35,618	13,584	(252)	48,950	-	58	58	35,618	13,642	(252)	49,008	36,920
2,829	10,628	(213)	13,244	-	-	-	2,829	10,628	(213)	13,244	(3,438)
20,940	3,807	-	24,748	-	8,778	8,778	20,940	12,585	-	33,526	8,778
8,370	5,580	-	13,949	-	-	-	8,370	5,580	-	13,949	17,049
8,468	5,645	-	14,113	-	-	-	8,468	5,645	-	14,113	17,250
392,017	227,339	-	619,356	-	-	-	392,017	227,339	-	619,356	1,791,508
1,051	700	-	1,751	-	-	-	1,051	700	-	1,751	2,140
19,112	5,546	-	24,658	-	-	-	19,112	5,546	-	24,658	10,443
1,255	590	-	1,845	-	-	-	1,255	590	-	1,845	1,435
139,294	147,347	(951)	285,690	-	-	-	139,294	147,347	(951)	285,690	317,847
194,082	86,773	-	280,855	-	37,268	37,268	194,082	124,041	-	318,123	679,974
97,950	46,576	-	144,526	-	-	-	97,950	46,576	-	144,526	340,641
26,691	43,764	-	70,455	-	-	-	26,691	43,764	-	70,455	498,745
48,437	24,256	-	72,693	-	-	-	48,437	24,256	-	72,693	179,973
267,957	113,466	-	381,423	-	158,289	158,289	267,957	271,755	-	539,712	760,716
3,152,448	**1,848,938**	**(18,854)**	**4,982,532**	**-**	**218,565**	**218,565**	**3,152,448**	**2,067,503**	**(18,854)**	**5,201,097**	**7,445,020**
365,590,237	**27,797,190**	**(18,854)**	**393,368,573**	**-**	**218,565**	**218,565**	**365,590,237**	**28,015,755**	**(18,854)**	**393,587,137**	**464,102,301**

UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Accumulated Depreciation				Accumulated Impairment			Accumulated Depreciation / Impairment				Carrying
Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
R	R	R	R	R	R	R	R	R	R	R	R
-	-	-	-	-	-	-	-	-	-	-	1,654,811
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,654,811**

UMSOBOMVU LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Accumulated Depreciation				Accumulated Impairment			Accumulated Depreciation / Impairment				Carrying
Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
R	R	R	R	R	R	R	R	R	R	R	R
1,144,122	250,390	-	1,394,511	-	-	-	1,144,122	250,390	-	1,394,511	255,970
1,144,122	**250,390**	**-**	**1,394,511**	**-**	**-**	**-**	**1,144,122**	**250,390**	**-**	**1,394,511**	**255,970**
366,734,358	**28,047,580**	**(18,854)**	**394,763,084**	**-**	**218,565**	**218,565**	**366,734,358**	**28,266,144**	**(18,854)**	**394,981,649**	**466,013,081**

APPENDIX C
UMSOBOMVU LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF CAPITAL ASSETS AS AT 30 JUNE 2012

Description	Cost / Revaluation						Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R
Executive and Council	1,682,218	476,731	-	(11,813)	-	2,147,137	626,737	351,730	(6,540)	971,927	1,175,210
Finance and Administration	1,326,446	117,003	-	(3,947)	-	1,439,502	462,952	293,080	(2,296)	753,737	685,765
Planning and Development	5,870,893	55,309	-	(12,169)	-	5,914,033	1,265,577	824,932	(6,912)	2,083,597	3,830,436
Community and Social Services	48,278,613	67,530	297,704	-	(396,200)	48,247,647	6,098,583	495,656	-	6,594,239	41,653,408
Waste Management	9,792,023	218,155	-	(4,334)	-	10,005,844	3,266,925	872,183	(3,106)	4,136,002	5,869,842
Roads and Transport	397,764,036	414,646	13,018,386	-	-	411,197,067	206,522,970	10,042,565	-	216,565,535	194,631,532
Water	57,906,194	2,398,036	-	-	-	60,304,230	23,960,507	2,784,005	-	26,744,512	33,559,717
Electricity	290,628,372	153,156	27,652,451	-	-	318,433,979	123,385,985	12,351,611	-	135,737,596	182,696,383
Total	**813,248,794**	**3,900,566**	**40,968,541**	**(32,263)**	**(396,200)**	**857,689,438**	**365,590,237**	**28,015,762**	**(18,854)**	**393,587,145**	**464,102,294**

APPENDIX C does not form part of the Annual Financial Statetements.

APPENDIX D

UMSOBOMVU LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income	2011 Budgeted Income	2011 Actual Expenditure	2011 Budgeted Expenditure	2011 Surplus/ (Deficit)	Description	2012 Actual Income	2012 Budgeted Income	2012 Actual Expenditure	2012 Budgeted Expenditure	2012 Surplus/ (Deficit)
R	R	R	R	R		R	R	R	R	R
23,637,479	23,649,478	15,184,513	13,844,470	8,452,966	Executive and Council	26,095,000	27,001,648	14,123,778	15,252,539	11,971,222
26,575,396	6,598,365	13,991,991	13,286,028	12,583,405	Finance and Administration	8,463,854	7,475,407	19,463,510	14,765,951	(10,999,656)
52,848	-	2,647,754	-	(2,594,906)	Planning and Development	36,484	69,237	11,348,202	6,268,542	(11,311,718)
-	-	-	-	-	LED and IDP	200	-	331,833	309,392	(331,633)
393,085	4,719,241	1,404,428	5,329,586	(1,011,343)	Community and Social Services	548,288	551,349	5,395,598	1,856,607	(4,847,310)
1,619,834	-	2,003,998	374,918	(384,164)	Housing	3,080,688	-	2,076,733	423,660	1,003,955
3,912,489	2,270,513	1,461,509	1,612,067	2,450,980	Public Safety	5,799,294	2,131,541	5,370,274	1,842,773	429,020
-	-	576,170	648,431	(576,170)	Sport and Recreation	-	-	1,153,405	1,187,892	(1,153,405)
9,184,994	5,009,777	34,181,682	3,746,393	(24,996,688)	Waste Management	27,179,920	10,177,026	8,051,804	8,308,734	19,128,116
19,647,222	27,673,718	6,861,862	8,041,668	12,785,360	Water	38,558,590	7,096,824	19,564,301	6,691,137	18,994,289
14,408,299	19,174,347	18,193,980	13,421,064	(3,785,681)	Electricity	19,933,185	18,485,173	18,062,443	16,079,427	1,870,742
	35,151		5,896,190	-	Other		-			
99,431,645	**89,130,590**	**96,507,886**	**66,200,815**	**2,923,759**	Sub-Total	**129,695,503**	**72,988,205**	**104,941,881**	**72,986,654**	**24,753,622**
99,431,645	**89,130,590**	**96,507,886**	**66,200,815**	**2,923,759**	**Total**	**129,695,503**	**72,988,205**	**104,941,881**	**72,986,654**	**24,753,622**

APPENDIX D does not form part of the Annual Financial Statetements.

APPENDIX E(1)

UMSOBOMVU LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/12 Actual	2011/12 Budget	2011/12 Variance	2011/12 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	%	
REVENUE					
Property Rates	4,145,836	3,915,530	230,306	5.88	
Property Rates - Penalties imposed and collection charges	284,987	358,934	(73,947)	(20.60)	Revenue budgeted for under Interest Earned - Outstanding debtors
Fines	5,364,720	1,877,040	3,487,680	185.81	Fines are processed correctly
Licences and Permits	435,146	248,230	186,916	75.30	Includes amount for Agency fees that was not budgeted as was not correctly allocated
Government Grants and Subsidies	75,234,791	29,445,250	45,789,541	155.51	New allocations for the new year as well as more received and spend. Did not budget for capital grants
Service Charges	35,052,648	35,416,141	(363,493)	(1.03)	
Rental of Facilities and Equipment	379,062	138,112	240,950	174.46	
Interest Earned - External investments	419,278	18,395	400,883	2,179.30	Did not budget for investment of R20 000 000 received from Grants
Interest Earned - Outstanding debtors	1,431,320	1,405,503	25,817	1.84	
Other Income	5,531,064	165,070	5,365,994	3,250.74	VAT own income on Grants spend not budgeted for
Other Gains and Losses	1,416,652	-	1,416,652	100.00	Did not budget for the Fair Value adj. On Investment Properties
Total Revenue	**129,695,503**	**72,988,205**	**56,707,298**	**77.69**	
EXPENDITURE					
Employee Related Costs	27,209,116	27,679,125	(470,009)	(1.70)	
Remuneration of Councillors	2,413,066	2,187,344	225,722	10.32	
Depreciation	28,038,803	1,136,802	26,902,001	2,366.46	Decrease in depreciation due to implementation of GRAP 16, 17 and 102
Impairment Losses	2,021,025	3,693,973	(1,672,948)	(45.29)	Increased provision due to detrition of debtor payment rate
Repairs and Maintenance	2,417,881	2,346,091	71,790	3.06	
Interest Paid	127,021	1,066,732	(939,711)	(88.09)	Did not take in consideration that the loans are almost fully redeemed
Bulk Purchases	14,100,800	13,397,849	702,951	5.25	
Contracted Services	3,589,523	2,842,000	747,523	26.30	Reallocation was done to correctly classify expenditure
General Expenses	24,617,606	18,636,738	5,980,868	32.09	Difference less than 10% including grants and repairs and maintenance
Loss on disposal of Property, Plant and Equipment	407,042	-	407,042	100.00	Loss on Insurance claims
Total Expenditure	**104,941,881**	**72,986,654**	**31,955,227**	**43.78**	
NET SURPLUS / (DEFICIT) FOR THE YEAR	**24,753,622**	**1,551**	**24,752,071**		

APPENDIX E(1)

UMSOBOMVU LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 June 2011

Description	2010/11 Actual	2010/11 Budget	2010/11 Variance	2010/11 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	%	
REVENUE					
Property Rates	3,812,317	3,631,260	181,057	4.99	
Property Rates - Penalties imposed and collection charges	558,582	654,504	(95,922)	(14.66)	Revenue budgeted for under Interest Earned - Outstanding debtors
Fines	1,312,853	2,008,281	(695,428)	(34.63)	Under performance of the Traffic Department
Licences and Permits	373,256	268,450	104,806	39.04	Decrease due to 2009 moneys collected in 2010 on which the budget was based
Government Grants and Subsidies	57,434,590	49,356,478	8,078,112	16.37	Capital grant receipts now excluded in performance statement in terms of IAS 20
Service Charges	30,077,689	31,644,855	(1,567,166)	(4.95)	
Rental of Facilities and Equipment	407,712	37,962	369,750	974.00	Good performance by relevant departments
Interest Earned - External investments	55,847	34,000	21,847	64.26	More funds available for investment as a result of unspent grant moneys
Interest Earned - Outstanding debtors	1,258,321	1,494,800	(236,479)	(15.82)	Decrease due to improved debt collection
Other Income	4,140,478	-	4,140,478	100.00	VAT income recognised on grants
Total Revenue	**99,431,645**	**89,130,590**	**10,301,055**	**11.56**	
EXPENDITURE					
Employee Related Costs	25,041,119	24,413,237	627,882	2.57	
Remuneration of Councillors	2,217,677	2,457,040	(239,363)	(9.74)	
Depreciation	26,720,777	-	26,720,777	100.00	Decrease in depreciation due to implementation of GRAP 16, 17 and 102
Impairment Losses	6,007,905	5,100,172	907,733	17.80	Decrease due to improved debt collection
Repairs and Maintenance	2,428,633	-	2,428,633	100.00	Budget amount included in General expenses
Interest Paid	202,797	1,572,328	(1,369,531)	(87.10)	Capital redemption on loans and minimum overdraft facility
Bulk Purchases	11,011,013	10,619,220	391,793	3.69	
Contracted Services	4,404,688	673,000	3,731,688	554.49	Reallocation was done to correctly classify expenditure
General Expenses	18,473,277	21,365,818	(2,892,541)	(13.54)	Difference less than 10% including grants and repairs and maintenance
Total Expenditure	**96,507,886**	**66,200,815**	**30,307,071**	**45.78**	
NET SURPLUS / (DEFICIT) FOR THE YEAR	**2,923,759**	**22,929,775**	**(20,006,016)**		

APPENDIX E(1) does not form part of the Annual Financial Statetements.

APPENDIX F
UMSOBOMVU LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 0F 2003

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies Delayed / Withheld	Reason for Delay / Withholding of Funds	Compliance to Revenue Act	Reason for Non-compliance
		Sept	Dec	March	June	Total	Sept	Dec	March	June	Total			Yes / No	
Equitable Share	Dept of Cooperative Governance and Traditional Affairs (COGTA)	10,873,000	4,836,000	10,386,000	-	26,095,000	(10,873,000)	(4,836,000)	(10,386,000)	-	(26,095,000)	N/a	N/a	Yes	N/a
Financial Management Grant (FMG)	National Treasury	1,450,000	-	-	-	1,450,000	(866,210)	(78,755)	(819,839)	(103,296)	(1,868,099)	N/a	N/a	Yes	N/a
Municipal Systems Improvement Grant (MSIG)	Dept of Cooperative Governance and Traditional Affairs (COGTA)	790,000	-	-	-	790,000	(28,500)	(124,992)	-	(225,072)	(378,564)	N/a	N/a	Yes	N/a
Library Development Grant	Dept of Sports and Recreation	522,000	-	-	-	522,000	-	-	-	(176,164)	(176,164)	N/a	N/a	N/a	N/a
Municipal Infrastructure Grant (MIG)	Provincial and Local Government	4,200,000	9,700	7,565,000	-	11,774,700	(472,696)	-	(71,042)	(4,035,353)	(4,579,091)	N/a	N/a	Yes	N/a
Integrated National Electrification Programme (Municipal) Grant	Minerals & Energy	780,000	390,000	-	-	1,170,000	(1,395,789)	(986,147)	-	(269,305)	(2,651,241)	N/a	N/a	N/a	N/a
Energy, Efficiency and Demand Side Management Grant	Minerals & Energy	-	10,000,000	10,000,000	-	20,000,000	-	-	-	(67,602)	(67,602)	N/a	N/a	N/a	N/a
Regional Bulk Infrastructure Grant	Water Affairs and Forestry	9,018,346	11,255,941	11,497,901	6,130,952	37,903,140	(8,678,537)	(6,754,582)	(5,385,716)	(21,389,940)	(42,208,775)	N/a	N/a	N/a	N/a
Building of new Taxi Rank	Department of Safety	134,468	-	-	186,088	320,557	(134,468)	-	-	(664,860)	(799,328)	N/a	N/a	N/a	N/a
Building of new 100 Houses	Department of Housing	490,536	1,047,936	162,077	-	1,700,549	(577,629)	(934,267)	(185,664)	-	(1,697,560)	N/a	N/a	N/a	N/a
Total Grants and Subsidies Received		**28,258,351**	**27,539,577**	**39,610,978**	**6,317,040**	**101,725,946**	**(23,026,829)**	**(13,714,742)**	**(16,848,261)**	**(26,931,592)**	**(80,521,424)**				

APPENDIX F does not form part of the Annual Financial Statements.

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON UMSOBOMVU MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Umsobomvu Municipality set out on pages [redacted] to [redacted], which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, and the accounting officer's report.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011 as amended) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umsobomvu Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 2012 in the financial statements relating to various financial statement line items.

Unauthorised expenditure

9. As disclosed in note 40.1 to the financial statements, unauthorised expenditure to the amount of R31 735 631 was incurred as the limits of the votes within the approved budget were exceeded.

Irregular expenditure

10. Section 65(2)(j) of the MFMA requires the municipality to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. Payments amounting to R4 291 050 were made in contravention of the supply chain management regulations. The amount was disclosed in note 40.3 to the financial statements.

Material losses and impairments

11. As disclosed in notes 3 and 4 to the financial statements, a significant provision for the impairment of receivables from exchange transactions and non-exchange transactions was created which constitutes 54% and 43%, respectively, of the total receivables from exchange and non-exchange transactions balance.

Material underspending of the budget and conditional grant

12. As disclosed in section 5.2 of the report of the chief financial officer, total underspending on capital expenditure amounted to R25 629 643.

Additional matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

14. The supplementary information set out in appendices A to F does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express and opinion thereon.

Material inconsistencies in other information included in the annual report

15. At the date of this audit report certain components of the annual report have not been received and as a result a conclusion is not drawn on the consistency between the financial statements and audit report with other information included in the annual report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the 2011-12 annual performance report of Umsobomvu Municipality, as set out on pages [redacted] to [redacted] of the annual report.

18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information.*

19. The reliability of the information in respect of the selected development priorities or objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

20. The material findings are as follows:

Usefulness of information

Presentation

21. Improvement measures in the annual performance report for a total of 100% of the planned targets not achieved were not disclosed as required by section 46 of the Municipal Systems Act (MSA). This was due to inadequate internal policies and procedures for processes pertaining to the reporting of performance information. In particular, targets were not adequately defined during the planning phase and reporting on achieved targets was not consistently presented as defined in the planning phase.

Consistency

22. Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring the consistency of objectives, indicators and targets between planning and reporting documents. A total of 99% of the reported targets are not consistent with the targets as per the approved integrated development plan. This is due to the lack of review and monitoring of the completeness of reporting documents by management to ensure consistency of reported indicators and targets with planned indicators and targets. Also, targets as per the integrated development plan were inadequately defined (e.g. quarterly reports to council) and could rather be considered as a source from which management can extract information on achievement of targets and not necessarily regarded as a target. As a result, the manner in which the targets had been reset may have created uncertainty as to what the targets were on which to report.

Reliability of information

Validity

23. The National Treasury *Framework for managing programme performance information (*FMPPI) requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of actual reported performance relevant to 27% of the basic services development priority. This was due to limitations placed on the scope of my work due to the absence of the institution's records not permitting the application of alternative audit procedures.

24. The FMPPI requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 39% of the actual reported indicators relevant to basic services were not accurate when compared to source information. This was due to a lack of monitoring and review for the recording of actual achievements.

25. The FMPPI requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 31% of basic services. This was due to limitations placed on the scope of my work by the institution's records not permitting the application of alternative audit procedures.

Additional matter

26. I draw attention to the matter below.

Achievement of planned targets

27. I am unable to report on the achievement of the planned targets of Umsobomvu Municipality. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

28. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA, are as follows:

Budget

29. The municipality incurred expenditure in excess of the limits provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

Annual financial statements, performance and annual reports

30. The annual performance report for the year under review does not include a comparison of the performance with set targets or a comparison with the previous financial year and measures taken to improve performance, as required by section 46(1)(b) and (c) of the MSA.

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records provided, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

32. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written or verbal price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) and (c).

33. Sufficient appropriate audit evidence could not be obtained that contract and quotations were only awarded to providers whose tax matters have been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

34. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Internal control

35. I considered internal control relevant to my audit of the financial statements, annual report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual report and the findings on compliance with laws and regulations included in this report.

Leadership

36. Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

37. The entity does not have documented and approved internal policies and procedures to address planning, monitoring, and reporting processes and events pertaining to performance information.

38. Management has failed to implement controls to ensure that goods and services are procured in accordance with the minimum requirements set out by the supply chain management regulations. This puts the municipality at increased risk with regard to fraud.

Financial and performance management

39. Management did not implement daily and monthly controls as designed for the entity's business processes.

40. There are significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.

41. Material amendments had to be made to the financial statements. This indicates that weaknesses in internal control occurred with regard to the financial statement review process as the financial statements were not accurate and complete since senior management failed to pick up these inconsistencies during their review process.

Auditor-General

Kimberley

30 November 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2012.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 (four) times per annum as per its approved terms of reference.

- JH Blair (Appointed August 2010)
- M Mnyamana (Appointed March 2011)
- RK Pennels (Appointed August 2011)

During the current year 4 (four) meetings were held.

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 66 and 166(1) of the Municipal Financial Management Act (MFMA) 56 of 2003 and King III report on corporate governance.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter.

It's affairs have been regulated in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent.

In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective.

This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom.

Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Management and monthly/quarterly reports submitted in terms of the MFMA

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Authority of the entity during the year under review.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor-General and the Accounting Authority;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accepts the Auditor-General of South Africa's report on the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

JH Blair
Chairperson of the Audit Committee

31/10/2012.
Date

FINANCIAL MANAGEMENT IMPROVEMENT PLAN

UMSOBOMVU LOCAL MUNICIPALITY (ULM)

30 JUNE 2012

[Pick the date]

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A CURRENT STATUS OF THE BACKLOGS IN THE ACCOUNTING CONTROL ENVIRONMENT

A review of the Report of the Auditor-General (AG) to the Northern Cape Provincial Parliament and the Council on the Financial Statements of Umsobumvu Local Municipality for the Year ended 30 June 2012 revealed that the AG expressed an unqualified opinion on the financial statements. The following were extracted from the report:

Matters not affecting the Audit Report

Opinion

1. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umsobomvu Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

2. I draw attention to the matters below. My opinion is not modified in respect of these matters:

3. **Restatement of corresponding figures**

   As disclosed in note 34 to the financial statements the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 2012 in the financial statements relating to various financial statement line items.

Unauthorized expenditures

4. As disclosed in note 40.1 to the financial statements, unauthorised expenditure to the amount of R 31 735 631 was incurred as the limits of the votes within the approved budget were exceeded.

Irregular expenditure

5. Section 65(2)(j) of the MFMA requires the municipality to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective. Payments amounting to R 4 291 050 were made in contravention of the supply chain management regulations. The amount was disclosed in note 40.3 of the financial statements.

Material losses/Impairments

6. As disclosed in note 3 to the financial statements, a significant provision for the impairment of receivables from exchange transactions was created which constitutes 54% of the total receivables from exchange transactions balance.

7. As disclosed in note 4 to the financial statements, a significant provision for the impairment of receivables from non-exchange transactions was created which constitutes 43% of the total receivables from non-exchange transactions balance.

8. As disclosed in note 32 to the financial statements, material distribution losses to the amount of R 10 132 922 were incurred due to the losses incurred during the distribution of electricity and water.

B CURRENT STATUS OF THE GRAP IMPLEMENTATION PROCESS

(a) The Annual Financial Statements (AFS) of UM for the financial year ended 30 June 2012 have been prepared in the GRAP format.

(b) The chart of accounts is based on the GRAP structure after it was revised during the year ended 30 June 2012.

(c) Appropriate accounting and other related policies to implement GRAP have not been developed. The Asset Management Policy will have to be reviewed once the itemising of immovable property has been completed in order to address the processes to be followed to sustain the exercise carried out.

(d) UM is currently using the Abacus system to perform its, Billing, Cash Book, Creditors and the General Ledger.

(e) The asset register was unbundled and is maintained on the IMQS system. There are no stock items recognised.

(f) The PAYDAY system is used for the Payroll function, the capabilities of this system is sufficient to produce information compliant to the GRAP standards.

(g) UM has appointed Ducharme to perform the GRAP conversion and assist in the identification, unbundling and valuation of its infrastructure assets. The project was completed for inclusion in the AFS for 30 June 2012.

(h) Unqualified Opinion has been expressed by the Auditor-General on the UM financial statements for the financial year ended 30 June 2012 and is discussed in detail in paragraph B above.

(i) Steps have been taken to address the issues highlighted by the Auditor-General, and it is assumed that all these matters will be resolved in the 2012/2013 financial year.

C. STEPS REQUIRED TO IMPROVE FINANCIAL MANAGEMENT AND FULLY IMPLEMENT GRAP FOR ULM

Query nr	Component	Classification (impact)	Finding heading	Finding detail	Action Plan
Ex.25	Employee Costs	Non-Compliance with Laws & Regulations	Municipal Regulation on Minimum Competency levels	Section 14 of the Municipal Regulation on Minimum Competency Levels Regulation requires that the competency levels of the management officials and supply chain management officials must be reported to the National Treasury and to the relevant provincial treasury by 30 January and 30 July of each year, until 30 July 2015; and in its annual report, reflecting the information as at the end of the financial year to which the reports relates. During the testing that was performed it was noted that there was no disclosure made in the annual report relating to the competency levels of management officials and supply chain management officials at the end of the year.	1) The accounting officer should exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. 2) Management does not agree with the exception raised by the AG. 3) The Municipality did write to the National Treasury seeking its consideration to delay the enforcement of the Min Competency Reg in terms of the legislated deadline for officials to obtain the required competency levels as the municipality has not been in a position to fully train all personnel subjected to the Reg. 4) Management must ensure to include this in the Annual Report for 2012/2013 year if the training did not take place as required by Reg.
Ex.32	Employee Costs	Non-Compliance with Laws & Regulations	Accrued leave and encashment not complied with SALBC	The South African Local Government Bargaining Council (SALBC) Collective Agreement Section 3.1 states: "All leave accrued as at 31 December 2003 shall be dealt with as follows: 1) The value of such accrued leave shall be determined at the rate of pay as at 31 December 2003. 2) Employees shall either take or en-cash such leave within a period of two(2) years calculated from 1 January 2004 3) Notwithstanding the provisions of clause 7.3.2, an employee is entitled to retain a maximum of forty-eight (48) days accrued leave." The municipality does not en-cash leave when employees have more than 48 days leave accrued.	1) Leave accrued in excess of 48 days has been reported to all managers on 22 August with the view to solicit inputs why the accrued leave in excess of 48 days should not be written off. In the event that sufficient reasons could not be furnished, such as operational reasons where leave has been cancelled and or denied, the excess will be forfeited. 2) Due to complexity to correctly apply the leave provision (only the 8 days may accrue – the compulsory taking of the 16 days and the period of 18 months to take the compulsory leave) it's essential to make 100% sure that accrued leave is not written off for arbitrary reasons. 3) Management must ensure that this process is reviewed before the end of each financial year to avoid that this exception will appear on the next management letter as well.

Ex.49	Employee Costs	Internal Control Deficiency	No contracts in file	Section 62(1) of the Municipal Finance Management Act (MFMA) states the following regarding the general financial management function: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - (a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control; and (ii) of internal audit operating in accordance with any prescribed norms and standards;"	1) Management must ensure that these employees get their employment contracts before the end of the financial year. 2) The issues relating to the problem as to why the employees do not want to sign the contacts must be resolved as soon as possible.
Ex.52	Employee Costs	Non-Compliance with Laws & Regulations	Compulsory leave not taken	The South African Local Government Bargaining Council (SALBC) Collective Agreement states: "3.1 An employee is required to take leave within each leave cycle as follows: 3.2.1 A five- (5) day worker shall take a minimum of sixteen (16) days leave; and 3.2.2 A six- (6) day worker shall take a minimum of nineteen (19) days leave."	1)Management did not agree with same of the employees listed in the finding as they did not fall under the SALBC Collective Agreement 2) For those who did, management must ensure that the compulsory leave is taken. The Payday system must be use to remind management that leave has to be taken or alternative measures must be taken to decrease the leave balance.
Ex.56	Employee Costs	Non-Compliance with Laws & Regulations	Overtime	Part D/2(d) of the Public Service Regulations states that an executing authority may compensate an employee for overtime worked if the monthly compensation constitutes less than 30% of the employee's monthly income.	1) The employees in question worked the overtime on essential services like water, and sanitation which could result in health and life risks if not attended to.
Ex.57	Employee Costs	Non-Compliance with Laws & Regulations	Sick Leave	Section 3.2 of the South African Local Government Bargaining Council states the following relating to sick leave: "An employer shall grant an employee eighty (80) days sick leave in a three (3) year leave cycle."	1)This finding occurred due to avery serious injuiry, where the Dr incerased the sick leave of the employee to 55 days. 2)In general this is not n issue and will not be on the management letter.

Ex.59	Employee Costs	Internal Control Deficiency	Discrepancies noted on annual leave	The Municipal Finance Management Act section 62(1) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that – c) The municipality has and maintains effective, efficient and transparent systems- (i) of financial and risk management and internal control.	1)Management must ensure that all leave forms are completed correctly, it must be signed by the HOD and HR must also ensure that all leave forms are completed into the Payday system to ensure completeness of the annual leave.
Ex.61	Compliance	Non-Compliance with Laws & Regulations	Rental contracts not signed by the municipal manager	Municipal Asset Transfer Regulation (GNR.878 of 22 Aug 2008) states that: "45. (1) A municipality or municipal entity may grant a right to use, control or manage a capital asset to a private sector party or organ of state only by way of a written agreement concluded between the municipality or entity and the private sector party or organ of state to whom the right is granted. (2) An agreement referred to in sub-regulation (1) must -- (b) be signed on behalf of the municipality or municipal entity and the private sector party / organ of the state"	1) Management should ensure that all rental contracts are signed by the municipal manager as required in Section 45 (2)(b) of the Municipal Asset Transfer Regulation.
Ex.64	Compliance	Non-Compliance with Laws & Regulations	Budget	Section 71 of the MFMA states: 71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month: (g) when necessary, an explanation of— (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote; (ii) any material variances from the service delivery and budget implementation plan; and	1) Management should ensure that it complies with section 71 of the MFMA which requires that explanations be provided for material variances noted. 2) Management don't agree with this finding as the S71 report is a report that were more discussed in the quarterly reports that were submitted to Council for approval. Every Head of Department monitor and control their budget monthly.

				(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget. **Nature:** During our inspection of the Section 71 budget reports, we noted the following discrepancies on the reports: 1. No explanation for any material variances from the entity's projected revenue by source and from the entity's expenditure projection. 2. No explanation for any material variances from the service delivery agreement and business plan. 3. No remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget	
Ex.65	Compliance	Non-Compliance with Laws & Regulations	Information not on the municipality's website	MFMA section 75 states the following: Information to be placed on websites of municipalities.— (1) The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality: (a) The annual and adjustments budgets and all budget-related documents; (b) all budget-related policies; (c) the annual report; (d) all performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act; (e) all service delivery agreements; (f) all long-term borrowing contracts; (g) all supply chain management contracts above a prescribed value; (h) an information statement containing a list of assets over a prescribed value that have been disposed	1) Management should ensure that the municipality's website is updated with the required information.

				of in terms of section 14 (2) or (4) during the previous quarter; (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section; (j) public-private partnership agreements referred to in section 120; (k) all quarterly reports tabled in the council in terms of section 52 (d); and (l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed. (2) A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first. **Nature:** The municipality has not placed the following required information on the website of the municipality in terms of Section 75 of MFMA: 1. Performance agreements required in terms of sec 57(1)(b) of the Municipal System Act. 2. Service delivery agreements. 3. Long-term borrowing contracts. 4. Quarterly reports tabled in the council.	
Ex.1	General	Internal Control Deficiency	Policies and procedures not obtained from the municipality	Section 62(1) of the Municipal Finance Management Act (MFMA) states the following regarding the general financial management function: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - (a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective,	1) Please note that the municipality does not have a Disaster recovery plan and Business continuity plan but we have an Information Security Policy, thus the reason for not submitting the information requested (see the mentioned policy as it also covered the areas as in the disaster recovery plan and Business continuity plan). 2)If possible, management draft the following plans to avoid the same issue in the future: • Disaster recovery plan • Finance policy/procedures

				efficient and transparent systems— (i) of financial and risk management and internal control; and (ii) of internal audit operating in accordance with any prescribed norms and standards;" **Nature:** The following items were not provided by management within the predetermined time frame given: • Disaster recovery plan • Finance policy/procedures	
Ex.28	Procurement and Control Management	Non-Compliance with Laws & Regulations	Three quotes	Section 16 of the Supply Chain Management Policy states the following relating to written and verbal quotations: "(a) The conditions for the procurement of goods or services through written or verbal quotations are as follows: Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality providers that if quotations are obtained from providers who are not on the list, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this policy;" **Nature:** During the testing that was performed it was noted that three quotations were not obtained for only to purchases.	1). The reason for the finding is that a decision to use the suppliers was collective and strategic and the absence of a deviation certificate is an oversight from management.
Ex.15	Operation Expenditure	Misstatements in financial statements	VAT number of Umsobumvu municipality is not on the tax invoice.	Section 20(4) of the VAT Act defines a valid tax invoice (full invoice, amounts exceeding R3 000) as follows: "The words "Tax Invoice" in a prominent place; Name, address and VAT registration number of the supplier;	1) Management must ensure that the Municipality's VAT number is on all invoices before payment takes place. 2) The expenditure clerks must ensure to this process before presenting invoices for payment at management.

				Name, address and VAT registration number of recipient; Serial number and date of issue; Full and proper description of the goods and/or services; Quantity or volume of goods or services supplied; Price & VAT" Section 65 of the MFMA states: "(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure (f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;" Section 20 of the VAT Act states the following: "(4) Except as the Commissioner may otherwise allow, and subject to this section, a tax invoice (full tax invoice) shall be in the currency of the Republic and shall contain the following particulars: (a) The words "tax invoice" in a prominent place;"	3) Management must also ensure not to claim Input VAT on invoices where there are not a VAT number from the supplier (Ex.17). 4) Management must also ensure that all invoices are made out in the Municipality's name before any payments are made to the supplier and Input VAT is claimed (Ex.19).
Ex.8	Predetermined Objectives	Misstatements in Annual Performance Report	Consistency	Officials involved in the compilation of the annual IDP (operational plan) and reporting of performance information did not have the necessary knowledge and understanding to ensure the consistency of information reported to information planned. Mainly with the compilation of the annual IDP, the targets were not adequately formulated thus providing an adequate yardstick against which baseline information and performance could be measured and reported.	1) It is recommended that the annual IDP (operational plan) be formulated in such a manner, where targets are clearly defined and measurable. In addition that the exact same template be utilised in performance assessment tools and that the same framework be reported on in the annual report to ensure consistency of information between the annual IDP and the Annual Report.
Ex.39	Predetermined Objectives	Misstatements in Annual Performance Report	Control deficiencies	During the gaining of understanding of systems in place related to the performance information system, the following deficiencies were identified with respect to internal controls relating to this process: • No specific internal controls could be identified that mitigates the risk that achievements reported on performance indicators, as reported to	1) It is recommended that management address the reported control deficiencies with the 2012/2013 performance management system, thus ensuring the reliability of information reported.

				Council, is valid, complete and accurate. • No specific controls identified to ensure that performance indicators that are not relevant to the current year are excluded from the operational plan. The following performance indicators were identified as not being relevant to the current year, as they were achieved in prior years: To ensure the sanitation backlogs is 5% • No specific controls identified that ensured that the IDP was reviewed for accuracy and completeness. For example: The performance indicator relating emptying of full VIP's was reported as not having been achieved owing to insufficient funds. In light of this information either the IDP document should have been amended to exclude this indicator if it was not funded in the current year or the reason for non-achievement is incorrect. Such errors can be misleading to users of the quarterly reports and could have been identified if adequate control over the review of both, the annual IDP, quarterly reports and Annual Report has been performed. In 2 cases (sanitation backlog is less than 5% and number of hours the borehole system is down) has been duplicated in the annual IDP • No specific controls identified to ensure that performance indicators meet the following conditions as required by the Framework for Managing Programme Performance Information. 11% of the total indicators that were selected for testing were found to be not well defined and as a result not verifiable: Well-defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use. Verifiable: it must be possible to validate the processes and systems that produce the indicator. "The provision of sustainable water to residents" - is not considered to be a well-defined indicator as it is not clear what specifically is to be measured and considered to be ambiguous as a proper system on data to be collected and to be utilised for reporting	

				purposes could not be clearly explained to audit. "To ensure proper management of bulk water supply project" - this performance indicator is not considered to be well defined with respect to exactly what about the project management is to be measured, it is also not an easily verifiable indicator as defined. However for auditing purposes it was restricted to attendance of project meetings which does not necessarily display that the project was managed in accordance to a specific baseline. "To ensure effective and efficient operation of the CWTW" - this performance indicator is not considered to be well defined with respect to exactly what about the operations is to be measured, it is also not an easily verifiable indicator as defined. "Provision of electrical services and monthly report" - this performance indicator is not considered to be well defined with respect to exactly what services is to be measured; it is also not an easily verifiable indicator as defined. "Manage and administer waste disposal sites in Colesberg, Noupoort and Norvalspont" - this performance indicator is not considered to be well defined with respect to exactly what type of management and administration of the waste disposal site would be required and measured. "To ensure proper management of water provision agreements - Bloem water and Private owners" - the performance indicator is not considered to be well defined with respect to exactly what type of management of the water provision agreements would be measured and reported on. • No specific controls exist to ensure that performance indicators included in the annual IDP are verifiable. The performance indicator is thus considered not verifiable and can result in information	

				reported not being useful for readers of the financial statements. The communication with residents when services cannot be delivered, no confirmation could be obtained on how the municipality intended to monitor and report on this performance indicator.	
Ex.42	Predetermined Objectives	Misstatements in Annual Performance Report	Measurability of targets	The Municipal Systems Act, No 32 of 2000 states: "41. Core components.—(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed— (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan; (b) set measurable performance targets with regard to each of those development priorities and objectives; (c) with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)— (i) monitor performance; and (ii) measure and review performance at least once per year;" "46. Annual performance reports.—(1) A municipality must prepare for each financial year a performance report reflecting— (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."	1) It is highly recommended that cognisance be taken of the Framework for Managing Programme Performance Information and that the targets for the 2012/2013 annual IDP are formulated in accordance with the SMART principals.

				Framework for Managing Programme Performance Information states that: "3.3 Performance Targets A useful set of criteria for selecting performance targets is the "SMART" criteria: • Specific: the nature and the required level of performance can be clearly identified • Measurable: the required performance can be measured • Achievable: the target is realistic given existing capacity • Relevant: the required performance is linked to the achievement of a goal • Time-bound: the time period or deadline for delivery is specified."	
Ex.47	Receivables	Services Delivery	Insufficient consumer deposits	Section 64 of the MFMA states: "(1) The accounting officer of a municipality is responsible for the management of the revenue for the municipality. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure - (a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy."	1) Management should implement policies and procedures in order to ensure that all municipal debtor accounts have sufficient consumer deposits. 2) The following must also be noted: Consideration should be given that consumer deposits have only recently been required from all consumers. By-laws differ between the former municipalities and some did not even require any deposits. Furthermore where consumers owned property they were not required to pay a service deposit. Another consideration is that some consumers are staying for more than 30 years in the same property and that the deposit required at the time will not meet existing deposit requirement due to inflation. There is also no regulation or law that states that the municipality MUST recover the "increased" amount from customers due to inflation on deposits.
Ex.6	Revenue	Internal Control Deficiency	Distribution losses - No month to month monitoring of distribution losses are performed	Section 62(1) of the Municipal Finance Management Act (MFMA) states the following regarding the general financial management function: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all	1) Management must put monthly reconciliations in place to manage and control the losses. Management must also through this, identify where the problem areas are and act accordingly to repair any damages.

				reasonable steps to ensure - (a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control; and (ii) of internal audit operating in accordance with any prescribed norms and standards; (d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented."	
Ex.9	Revenue	Internal Control Deficiency	No readings taken	Section 62(1) and section 63(1) of the Municipal Finance Management Act (MFMA) states the following regarding the general financial management function: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - (a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;" "(1) The accounting officer of a municipality is responsible for the management of - (b) the liabilities of the municipality. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure - (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;"	1) Management should put procedures in place to ensure that meter readings are taken for all customers to ensure that all the revenue is recognised. 2) **Please note the following:** Management finds that the AG's findings are inaccurate, because the finding states that the following customers do not have a reading for the full financial year under review. This is found to be incorrect, as can see from the table below. Some of the customer accounts under review, the stand is vacant, thus no reading will exists and for some of the customers where was reading for the financial year under review. Management is aware that some of the meters are faulty and some meter is impossible to get access to. Since April 2012 a program was implemented to locate and read these meters. The program is on-going and due to the nature of the problem on current capacity and resources it is taking a couple of months. Focus was placed on higher consumption consumers like businesses and higher income areas. The accounts indicated on the sample are from areas with very low to low consumption profiles.

Ex.33	Revenue	Misstatements in financial statements	No fines estimate made	According to the Financial Statements of Umsobomvu Local Municipality the accounting policy states the following: "Fines: Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected." According to GRAP 23: "87 Fines normally require an entity to transfer a fixed amount of cash to government and do not impose on the government any obligation that may be recognised as a liability. As such, fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset set out in paragraph .29." "29 An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset shall be recognised as an asset when, and only when: (a) it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and (b) the fair value of the asset can be measured reliably."	1) The reason is that management cannot reliably determine the fair value of the asset (GRAP 23.29(b)) and therefore did not recognise the asset and the revenue amount. 2) The AG themselves stated that they "were unable to determine if the income derived from fines is completed", thus emphasizing that to reliably determine the fair value of the asset will be very difficult and even impossible.
Ex.50	Revenue	Non-Compliance with Laws & Regulations	Escalation charges according to the rental contracts not taken in account	Section 64(2)(f) of the Municipal Finance Management Act states that the accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed.	1) Management should ensure that sufficient procedures are in place to ensure that rent is charged in accordance with the rental agreements.
Ex.7	Taxes	Internal Control Deficiency	VAT reconciliations are not performed monthly	Section 62(1) of the Municipal Finance Management Act (MFMA) states the following regarding the general financial management function: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure -	1) Management should ensure that reconciliations are performed and signed as proof of review. 2) Please note the following: Management does not agree with the "sub" exception stating that no monthly reconciliations are done between the system and the VAT returns. The VAT returns are completed from the system thus no reconciliation will exists.

				(a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control; and (ii) of internal audit operating in accordance with any prescribed norms and standards;" Nature: Monthly VAT (Value-added-tax) reconciliations were not performed between the system and the completed VAT returns. The VAT control account is also not reconciled to the outstanding VAT returns. The monthly returns are prepared by an individual and then reviewed by a senior, however it was noted that for the following months the returns were not signed as proof of review: • July 2011 • October 2011 • November 2011 • December 2011 • March 2012 • May 2012	Management does not agree with the "sub" exception stating that no control are in place due to the lack of signed VAT returns. The CFO are the only authorised person to submit the VAT returns on E-filing, thus by submitting the return via E-filing the CFO signed the VAT return. These controls are in place.
Ex.11	Taxes	Non-Compliance with Laws & Regulations	VAT 201 forms not completed correctly	The Value Added Tax Guide for Vendors paragraph 8.3 Errors on VAT Returns states: VAT returns are legal and binding documents which constitute a declaration made to SARS. Certain errors are made regularly on returns. When amounts are incorrectly inserted in your VAT return, you must cross it out, and fill in the correct amount. Note that any alterations on a return must be initialled (including alterations where correction fluid has been used).	1) Management must ensure that the Zero-rated income from Grants received is completed correctly on the monthly VAT returns.

				Where your VAT 201 return is submitted to SARS and the calculations are incorrect, SARS will send the return back to you for correction. Until such time as you correct the return, and send it back to a SARS office, it will be treated as not having been received, even if your payment has been processed. All vendors must ensure that the following important points are noted: • Mandatory fields must be completed; • Returns must be signed; • Only one return must be submitted for a specific tax period; • Contact details of the person completing the return must be clearly stated in case SARS needs to communicate with the person or clarify anything with regard to the completion of the return; • Ensure that the return and/or payment are submitted on time according to the method of submission and/or payment. • If a nil return is to be submitted do not merely sign the uncompleted form. The return must clearly indicate that it is a "NIL" return by completing the relevant fields accordingly; and	

CHAPTER 3

FUNCTIONAL AREA SERVICE DELIVERY REPORTING

DRAFT

FINANCIAL SERVICES DEPARTMENT

DRAFT

DEPARTMENT : FINANCE ANNUAL REPORT 2011- 2012

The department provides financial services to Council and departments and the Municipal Manager for the implementation of Council resolutions as articulated in the Umsobomvu Municipality's five year strategic plans / priorities, called IDP.

DESCRIPTION OF THE PURPOSE

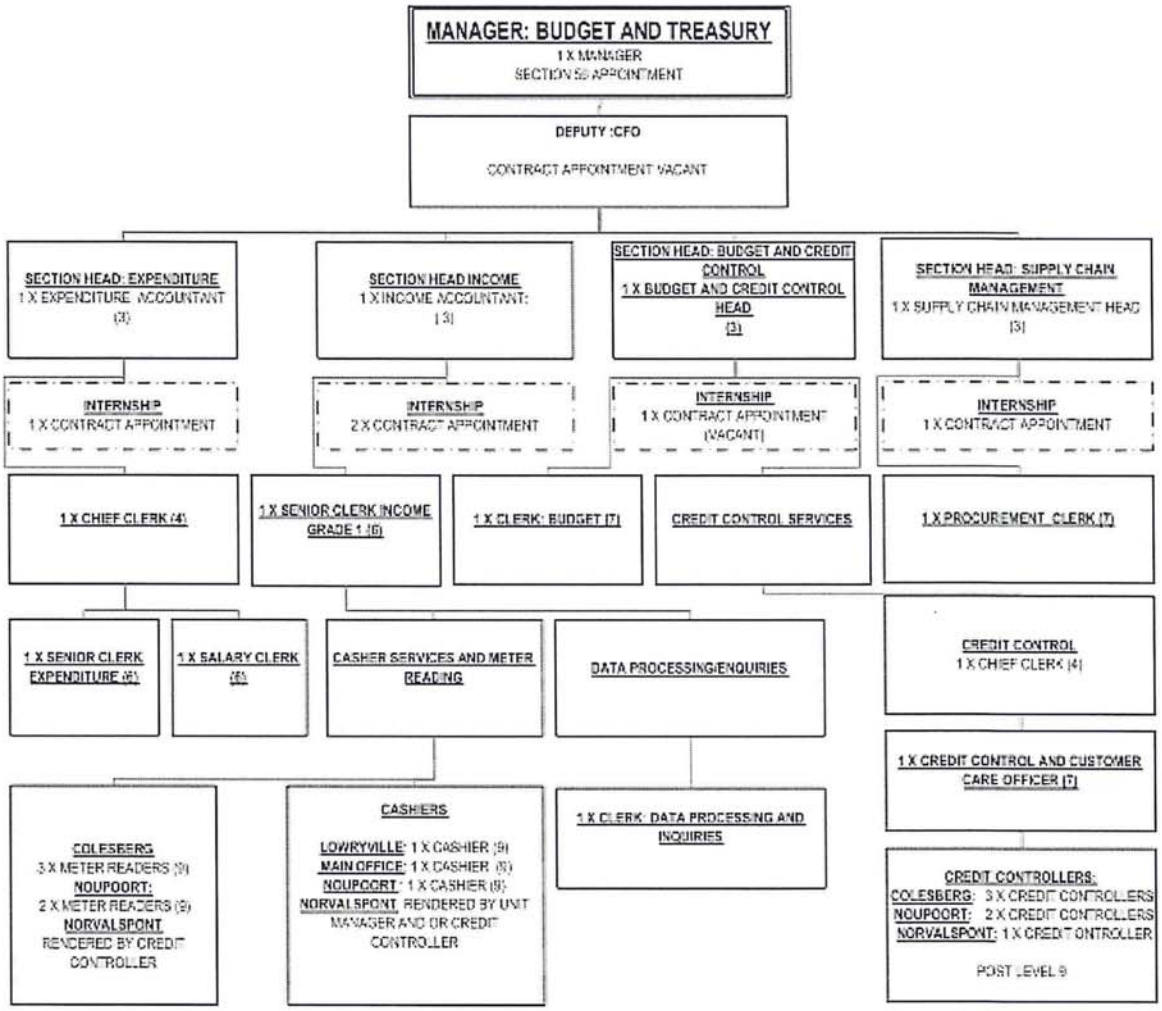
The purpose of the Manager: Financial Services in terms of the corporate structure design reporting directly to the Municipal Manager will be pursued in accordance with the relevant acts, policies and procedures as outlined in the job description. The structure design that is derived from the purpose structure of the Municipal Manager comprises the output and input goals that also constitute the framework of the business plan for the Municipality.

The Key Performance Areas required by the Act are contained in the respective Output and Input Goals. For each Goal or KPA, objectives or KPI's are set to pursue the goal.

The execution of the Business Plan must meet the criteria of accountability, effectiveness, efficiency and economics.

The Organizational structure of the finance department is as follows:

UMSOBOMVU MUNICIPALITY: DEPARTMENT OF FINANCE



FINANCE SECTION

The goal of the Department Finance is to ensure effective and efficient financial management and to reach the following objectives:

- To manage municipal revenue
- To manage the municipal budget
- To maintain internal financial control
- To produce financial reports
- To perform the treasury functions

SERVICES OFFERED TO CONSUMERS

NO.	SERVICE AREA	AREA PROVIDED	AREA EXCLUDED	REMARKS
1.	Enquiries & Information Regarding municipal Accounts	Colesberg, Noupoort, Norvalspont	Rural land and properties	
2.	Rendering of rates accounts	Total Umsobomvu area	Rural land and properties	
3.	Rendering of service Accounts Water Electricity	All Umsobomvu Towns Colesberg, Lowryville, Towervallei, Noupoort	Kuyasa, Kwazamuxolo, Eurekaville, Masizakhe	
4.	Provision of pay points for payment of annual and monthly accounts	Colesberg, Lowryville, Noupoort and Norvalspont	Kwazamuxolo, Eurekaville	Kwazamuxolo and Eurekaville serviced by Noupoort
5.	Extended access to pre-paid electricity and payment of accounts by involving third parties	Lowryville and Noupoort	Kuyasa, Norvalspont, Kwazamuxolo and Eurekaville are supplied by Eskom.	Access to pre-paid electricity and payment of accounts by municipal staff during office hours in Lowryville for Colesberg, Lowryville and Towervallei and Noupoort for the town area.
6.	Allocation and administration of indigent subsidies at units	Colesberg, Lowryville, Kuyasa, Noupoort, Masizakhe	None	

KEY ISSUES FOR 2011/2012 BUDGET YEAR

- To maintain a collection/ payment rate of 80%.
- To create awareness about the indigent relief offered by Umsobomvu Municipality through the local government equitable share.
- To maintain a positive cash flow.
- To implement the requirements and rollout as per the Municipal Finance Management Act.

TO IMPROVE DEBT COLLECTION STRATEGIES

OUTSTANDING DEBTORS	MONTHLY TOTALS: 2011/2012
PERIOD	AMOUNTS
JULY 2011	45,411,745
AUGUST 2011	46,168,274
SEPTEMBER 2011	46,057,689
OCTOBER 2011	45,255,843
NOVEMBER 2011	45,837,305
DECEMBER 2011	47,226,323
JANUARY 2012	48,322,922

FEBRUARY 2012	48,610,676
MARCH 2012	48,784,338
APRIL 2012	50,192,655
MAY 2012	50,430,739
JUNE 2012	51,396,697

TO PROVIDE QUARTERLY REPORTS TO COUNCIL

- 4 x Quarterly reports on debt collection and age analysis of arrears were provided to the Council.

TO COMPLETE ANNUAL FINANCIAL STATEMENTS IN AUGUST EACH YEAR

- The 2011/12 Annual statements were completed and submitted on the 31st of August 2012 as per the requirement of the MFMA.
- The Auditor General's audit report on the 2011/12 annual financial statements will be attached when available.

ANALYSIS OF FUNCTIONS

DEBTOR BILLINGS

- Estimated number of service accounts for Umsobomvu per month: 6340
- Estimated number of rates accounts for Umsobomvu per annum: 4232
- The Average payment level for the period under review is 84%

DEBTOR ANALYSIS

TOTAL CONSUMERS NATURE OF SERVICE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	TOTAL
Water Tariffs	332,617	454,702	518,451	448,450	16,422,212	**18,176,432**
Electricity Tariffs	1,054,215	376,354	185,513	111,882	2,336,009	**4,063,973**
Rates (Property Rates)	305,485	286,765	255,757	248,370	2,778,386	**3,874,763**
Sewerage / Sanitation Tariffs	321,981	210,862	198,480	193,171	7,473,426	**8,397,920**
Refuse Removal Tariffs	66,790	188,849	172,718	172,645	11,854,062	**12,455,064**
Other	-253,548	-140,743	-128,508	-128,779	5,080,123	**4,428,545**
TOTAL	**1,827,540**	**1,376,789**	**1,202,411**	**1,045,739**	**45,944,218**	**51,396,697**

PROPERTY RATES VALUATION ROLL

Supplementary Valuation Roll was done in 2011/2012 and implementation date was April 2012.

INDIGENT POLICY

A total number of 3587 people received the estimated equitable share amounting to R 634,055.40 per month.

UNIT	AMOUNT IN RAND	NO. PEOPLE P/M
COLESBERG, LOWRYVILLE AND TOWERVALLEI	R 173,471.16	796
KUYASA	R 167,660.34	935
NOUPOORT, KWAZAMUXOLO AND EUREKAVILLE	R 165,898.94	787
MASIZAKHE	R 10,682.11	115
ALTERNATIVE ENERGY (CANDLES, PARAFFIN AND MATCHES)	R 53,862.00	954
FREE BASIC ELECTRICITY	R62,480.85	
TOTAL	**R 634,055.40**	**3587**

THE BREAKDOWN PER SERVICE WAS AS FOLLOWS:

SUMMARY	ALLOCATION PER SERVICE
RATES	**R23,352.60**
ELECTRICITY (PRE-PAID)	**R62,480.85**
WATER	**R137,838.02**
REFUSE	**R 174,801.10**
SEWERAGE	**R 172,418.48**
NORVALSPONT FLAT RATE	**R9,302.35**
ALTERNATIVE ENERGY (CANDLES, PARAFFIN AND MATCHES)	**R53,862.00**
TOTAL	**R 634,055.40**

REVIEW ON GROWTH IN THE VARIOUS ITEMS OF THE BUDGET:

YEAR	INCOME	%	STAFF	%	REPAIR & MAINTENANCE	%	EXPENDI-TURE	%
2007-08	40,334,978	2.03	17,706,107	6.2	2,336,272	-11,3	20,292,599	0,3
2008-09	47,984,779	18,97	19,829,940	12	2,383,441	2	25,771,398	27
2009-10	56,871,138	18.5	23,628,537	19.2	2,187,483	-8.2	31,055,118	20.5

2010-11	65,145,985	-7.38	25,550,612	13.7	2,213,822	1.2	37,381,551	20.4
2011-12	72,988,241	7.5	27,482,772	15.76	2,244,583	1.2	43,259,280	15.7

* Influenced by the increases of the bulk purchase price of electricity, salary increases of employees and councillors and the inflation rate.

CAPITAL BUDGET: EXPENDITURE

YEAR	BUDGETED EXPENDITURE	BUDGET ACTUAL
2006/2007	R 11,725,700	R 554,867
2007/2008	R 6,284,200	R 5,482,159
2008/2009	R 7,006,000	R 447,000
2009/2012	R27,998,000	R 6,792,757
2010/2011	R22,929,900	R26,937,949
2011/2012	R70,498,638	R44,939,980

The list of projects and programs identified in the IDP were far more than feasible, given the resource constraints under which the Umsobomvu Municipality will function for the foreseeable future. Funding allocated from national government was not taken into account and shown separately as it did not come out of the coffers of the municipality.

OPERATIONAL BUDGET

YEAR	INCOME	EXPENDITURE	DEFICIT/ SURPLUS	ACTUAL SURPLUS/ (DEFICIT)
2007/2008	40,334,977	40,334,977	0	52,196
2008/2009	47,984,779	47,984,779	0	64,235
2009/2012	56,871,138	56,871,138	0	(35,028,657)
2010/2011	66,201,325	66,201,325	0	(28,811,304)
2011/2012	72,988,241	72,986,635	1,606	

CASH FLOW OVERVIEW

The cash flow remained a focus area as it seriously impacts on the ability of the Council to extend and maintain current service levels. Strict fiscal discipline will be applied and maintained to improve the cash balance.

PAYMENT CULTURE FOR THE YEAR

TOTAL LEVIES (ELECTRICITY, WATER, REFUSE, SEWERAGE AND RATES)	R 43,677,103.02
TOTAL PAYMENTS (INCLUDING SUBSIDIES ON INDIGENT SUPPORT FROM EQUITABLE SHARE)	R 36,822,680.12
PAYMENT PERCENTAGE	84%

FREE BASIC SERVICES

FREE BASIC WATER:

6kl were supplied to all households in accordance with Councils policy.

FREE BASIC ELECTRICITY:

50kWh were supplied to all households qualifying for indigent status in accordance with Councils policy in the Councils area of supply. A service level agreement exists between Eskom and the Council for the provision of free basic electricity in Kuyasa, Masizakhe, Kwazamuxolo and Eurekaville.

FREE BASIC SEWER & REFUSE:

Targeted approach was utilized. The subsidy was only supplied to households qualifying in terms of the Indigent Policy of the Council.

GRANTS AND SUBSIDIES RECEIVED

	1ST JUL 2011 - SEPT 2012	2ND OCT 2011 - DEC 2012	3RD JAN 2012 - MAR 2012	4TH APR 2012 - JUN 2012	TOTAL 2011/2012
MUNICIPAL INFRASTRUCTURE GRANT	4,200,000		7,565,000		11,765,000
EQUITABLE SHARE ALLOCATIONS	10,873,000	4,836,000	10,386,000		26,095,000
MUNICIPAL SUPPORT INFRASTRUCTURE GRANT	790,000				790,000
FINANCE MANAGEMENT GRANT	1,450,000				1,450,000
LIBRARY DEVELOPMENT PROGRAMME	522,000				522,000
INEG	780,000	390,000			1,170,000
ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT GRANT		10,000,000	10,000,000		20,000,000

BULK WATER	9,018,346	11,255,941	11,497,901	6,130,952	37,903,140
TAXI RANK	134,468	-	-	186,088	320,557
200 HOUSES	490,536	1,047,936	162,077	-	1,700,549
TOTAL	28,258,351	27,539,577	39,610,978	6,317,040	101,725,946

PERFORMANCE HIGHLIGHTS OF THE FINANCE DEPARTMENT

- Umsobomvu Municipality has comply with the requirements of the MFMA and other legislation with:

(i) The approval and submission of the Annual capital and Operating Budget

(ii) The compilation and submission of the Annual Financial Statements by the 31st of August 2012.

(iii) The timely submission of MFMA Section 71 reports and other monthly reports required by National Treasury.

CHALLENGES

- Financial reforms in relation to the GRAP Standards in order to comply with the MFMA
- The compilation of the Budget fully linked with the IDP
- To increase the payment culture to 90%
- To ensure 100% management and maintenance of assets of Council
- To ensure 100% compliance with GRAP
- To ensure an unqualified report from the Auditor General by 2011- 2012.
- To ensure that procedures, policies and systems are in place to assist with compliance to the MFMA.

SOLUTIONS:

1. Adhere to financial and budgetary discipline within the municipality.
2. Develop a clear staff capacity programme in order to meet the statutory compliance as set out in the MFMA.
3. To adhere to statutory guidelines when budgets and annual financial statements are prepared

4. To improve internal controls within the financial department.

CONCLUSION:

1. Improve the cash flow and cash reserve position of Umsobomvu Municipality as a matter of urgency.

2. Adhere to MFMA compliance requirements.

3. That Adjustments within the different votes be made in the Adjustment Budget be prepared that will take all the changes and developments into consideration.

ANNUAL FINANCIAL STATEMENTS: 2011/2012

Financial statements as at 30 June 2012 was completed on 31 August 2012 as required by the Municipal Finance Management Act (No. 56 of 2003) section 126(1)(a).

A copy of the annual audited financial statements as at 30 June 2012 is attached as Annexure A to the annual report.

CORPORATE SERVICES DEPARTMENT

DRAFT

DEPARTMENT CORPORATE SERVICES
1 JULY 2011 TO 30 JUNE 2012

ANNUAL REPORT: 1 JULY 2011 TO 30 JUNE 2012

1. MISSION, VISION STATEMENT

VISION

To be the fastest economically developing municipality in South Africa.

MISSION

To uplift our community socially and economically, by delivering quality services and customer care through our dedicated staff.

2. VALUES AND SLOGAN

VALUES

Respect;
Responsiveness;
Integrity;
Dedication;
Accountability.

SLOGAN

South Africa's Halfway House with Great Possibilities.

3. INTRODUCTION AND OVERVIEW

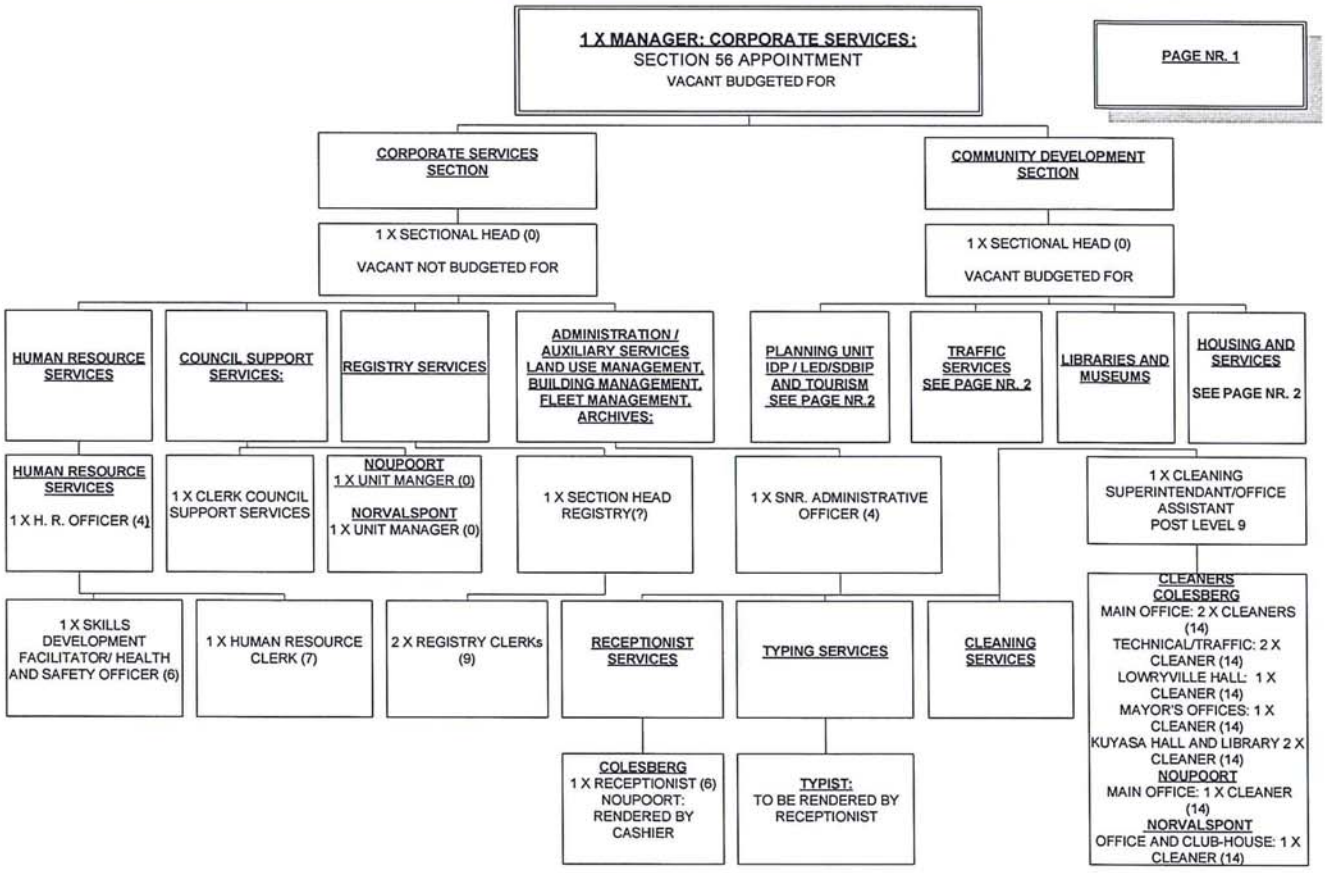
The Corporate Services Department is a department horizontally with the other sector departments of the municipality, i.e. Finance Department and Technical Services Department. The department does not have a line manager and the Municipal Manager oversees the function of the department in the interim. The Department of Community Development has been incorporated in the Department of Corporate Services as from 1 July 2011 and the post of Manager has been advertised. The Community Development Sections and Corporate Services Section are each been headed by a Section Head with a manager overseeing both the former Department of Community Development and Corporate Services. These two posts have been advertised in the last quarter of the year under review. For the current report the Department of Corporate Services and the former Department of Community

Development will submit separate reports as the majority of the work reported on has been done as separate departments.

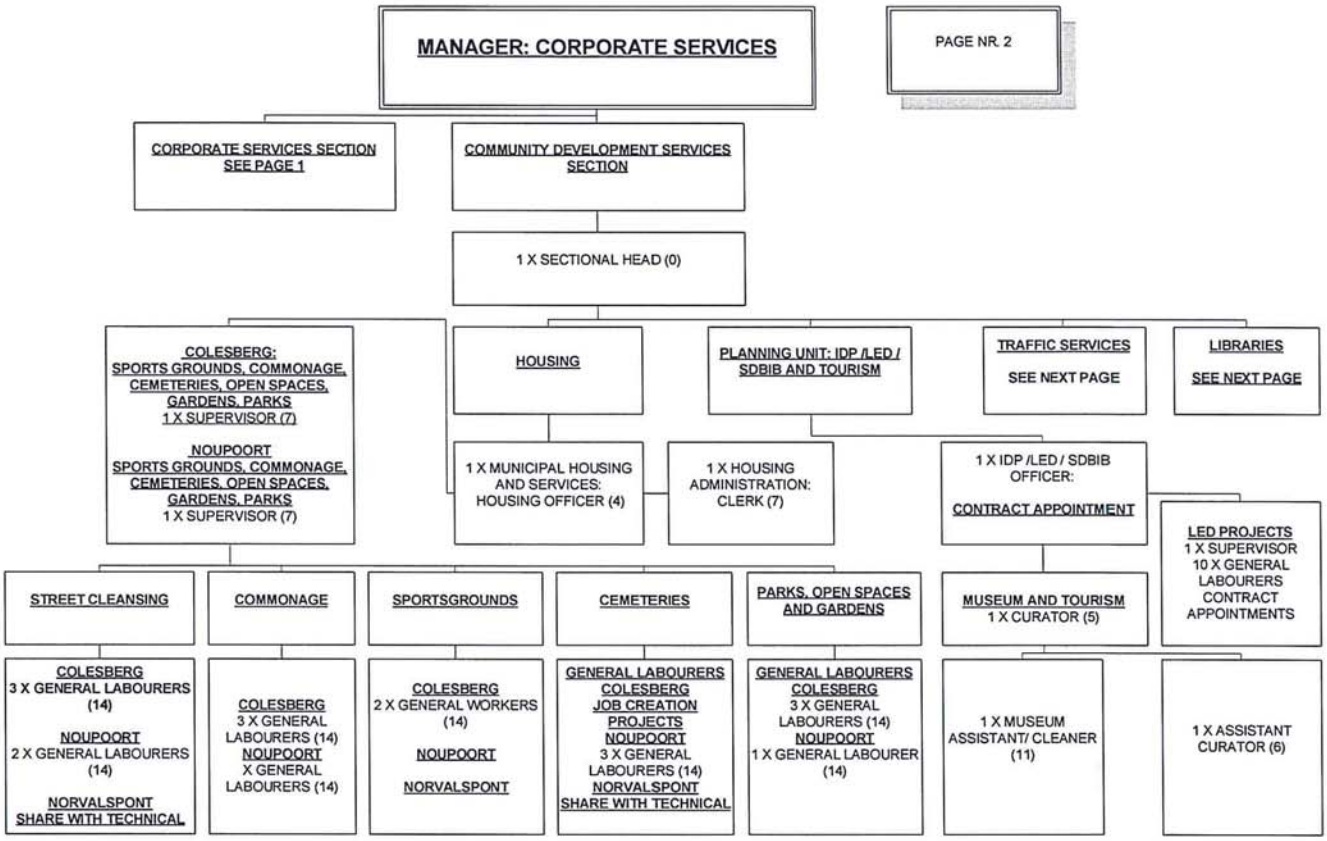
The Corporate Section is tasked with the provision of support services to the Council and other line departments, i.e. Human Resource Services, Council Support Services, Auxiliary Services and Archive Services. The Community Development Section is tasked with the provision of Library Services, Museum Services, Traffic Services, Cleansing Services, Housing Services and the maintenance of Parks, Gardens, Sports Fields, Cemeteries and Commonages.

The Key Performance Areas (KPA's) that are applicable to the Corporate Services Department for execution during the course of the financial year entails, Basic Service Delivery, Financial Viability, Organisational Development and Transformation, Local economic Development and Good Governance and Public Participation. These KPA's are taken up in the Performance Plans of managers and defines the Council's expectations of the Manager Corporate Services in terms of Section 57(5) of the Local Government: Municipal Systems Act, 2000 as Amended which provides for performance objectives and targets which are based on the Key Performance Indicators (KPI's) as set out in the IDP and Service Delivery and Budget Implementation Plan. The organogram of the department looks as follows:

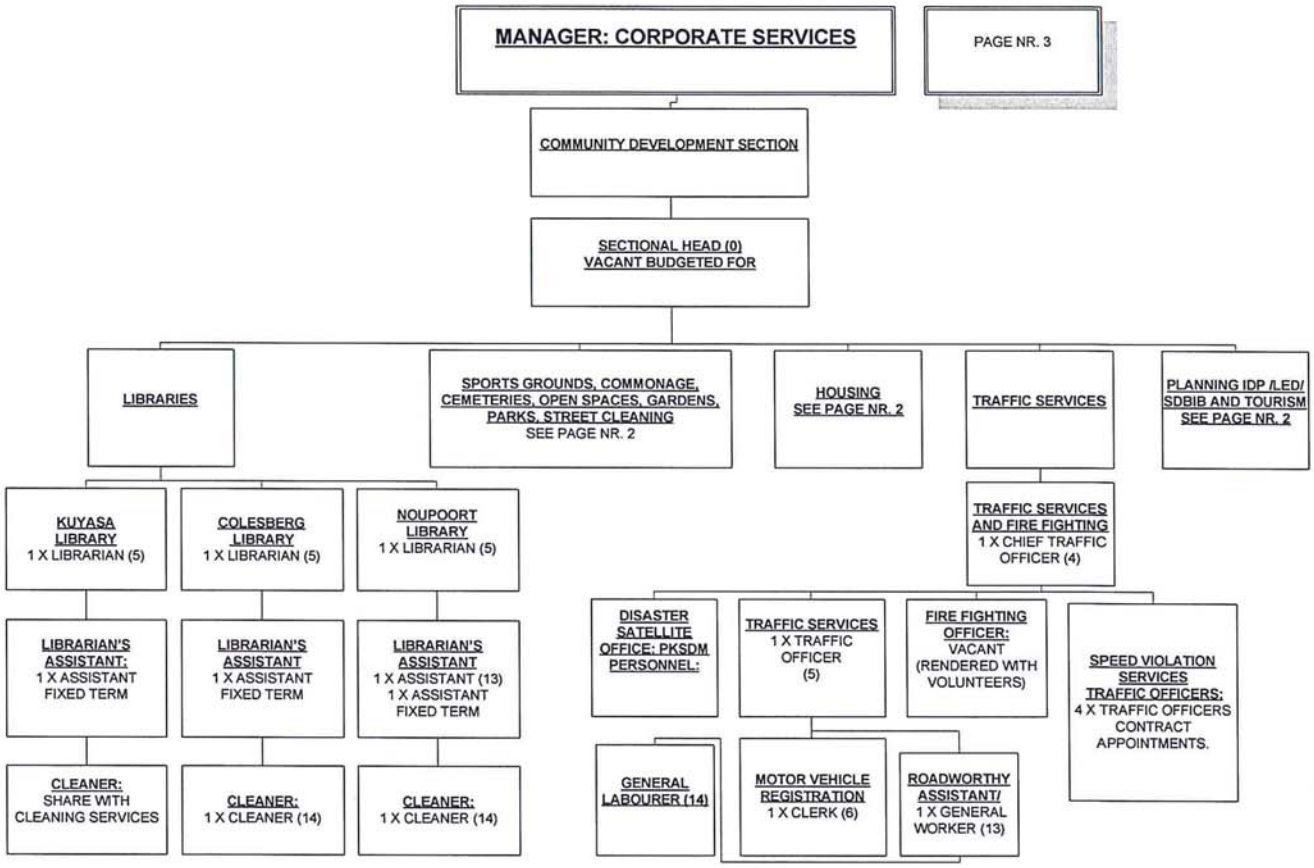
UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



UMSOBOMVU MUNICIPALITY: CORPORATE SERVICES



4. KEY PERORMANCE AREAS

In order for the municipality to function properly and to ensure that the performance of the personnel and the municipality can be monitored and measured in a scientific manner, Key Performance Areas (KPA's) have been developed. The Key performance areas applicable to the municipality as a whole are as follows:

- KPA 1: Basic Service Delivery;
- KPA 2: Municipal Institutional Development and Transformation;
- KPA 3: Local economic development;
- KPA 4: Financial viability and management;
- KPA 5: Good Governance and Public Participation.

In order for any line department to function and to perform, it is necessary for it to concentrate on it's core functions and not to be smothered by personnel matters, payroll, etc In order for Corporate Services to perform, KPA's have been allocated and need to be addressed.

The Key Performance Areas applicable to the department are as follows:

4.1 SERVICE DELIVERY AREAS

KEY PERFORMANCE AREA	STRATEGY	INDICATOR	BASELINE	TARGET	ACHIEVEMENT
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To effectively and efficiently manage transformation and institutional development in the municipality	Skills Development and Training	100% expenditure spend on training budget	Quarterly report to Council	Anticipated levy claimable amounts to R 111746.21. Contributions from owns funds mounts to 223492.42. The total to be spent on training amounts to R335236.63. A total of R354713.86 was spent on training.
			Full percentage of claimable funds to be claimed from SETA	Quarterly report to Council	Full claimable funds depend on the submission of monthly and annual reports. No funds were received from the SETA.
			Annual submission of WSP implementation report	Proof of submission to LGSETA	Skills Development Plan for the 2011/12 financial year was submitted on 30 June 20122. The 2010/11 Annual report on Skills Development Implementation and Planning was submitted on 30 June 2012.
			Annual submission of WSP for next financial year	Proof of submission to LGSETA	The Skills Development Plan was submitted on time, thus full percentage of funds is claimable.
			Submission of WSP monthly report	Proof of submission to LGSETA	No monthly reports on the Skills Development Implementation Plan were submitted due to the non-availability of templates and the lack of training. Numerous requests were made to the SETA to provide training for the Skills Development facilitator, to no avail. The matter has been taken up with the SETA, Department of Coghsta and SALGA.
			Quarterly report to Council on execution of archive procedures and processes	Quarterly report to Council	The Archive Section of the department has been re-staffed following the transfer of existing personnel due to problems encountered. The newly transferred personnel have been subjected to various training courses to equip them with the required levels of training and skills. The training was provided by the Department of Sport arts and Culture.
		Occupational Health and Safety	Draft and submit an Occupational Health and Safety plan for municipality	Quarterly report to Council	A Health and Safety Plan was not drafted.
			Schedule Health and Safety meetings with agenda and minutes	Quarterly report to Council	One Health and Safety Committee meeting is planned per month. Two meetings were held during the oversight period. Meetings were scheduled but due to non-commitment of Health and Safety Representatives, quorums could not be attained. Agendas, attendance registers and minutes of meetings, if any, are filed

					for future reference.
			Appoint Health and Safety Representative and attend HOS meetings	Quarterly report to Council	Occupational Health and Safety Representatives are appointed for the following departments: Technical Services, Corporate Services and Finance. Organised labour is represented on the Health and Safety Committee.
			Conduct and submit a quarterly Occupational Health and Safety audit for all workplaces	Quarterly report to Council	Occupational Health and Safety audits have been done in the 1st, 3rd and 4th quarters of the overview period.
		Recruitment of personnel and personnel management	Render administrative support to all departments to facilitate the recruitment process	Quarterly report to Council	Recruitment of personnel is being conducted according to our existing organogram to fill vacant posts. A total of 26 vacancies were advertised, applicants were interviewed and placements were done.
			Manage and administer all records in relation to recruitment process and employee records	Quarterly report to Council	A total of 34 files were opened for newly appointed personnel and all relevant documents to finalise the appointment and placement procedure were filed.
			Manage and keep up to date all personnel records, leave, etc. on a weekly basis	Quarterly report to Council	All leave to an employee's credit were recorded and captured on the system and entered in leave registers. All files were updated during the oversight period.
			All critical posts to advertised and filled	Quarterly report to Council	Four critical posts were identified for recruitment and advertised. One appointment has been made to fill critical vacant posts.
			Approval of HR Development plan	Approval by Council	An HR Plan has not been drafted.
			Recruitment of personnel in all post levels and advise for compliance with EE plan	Quarterly report to Council	All vacant posts have been advertised stating that the municipality is an equal opportunity employer. An Employment Equity report has been availed to all managers to identify shortlist applicant in accordance with the EE targets of the municipality.
		Legislative interface	Attend Portfolio, Council and Special Council meetings	Proof of council meetings	The following Council meetings were attended: Ordinary Council Meetings: 26 August 2011, 23 November 2011, 7 February 2012, 31 May 2012. Special Council Meetings: 14 December 2011, 19 December 2011, 31 January 2012, 30 March 2012, 12 April 2012, 31 May 2012, 20 June 2012. Portfolio Meetings:

					3 November 2011, 17 May 2012.
			Quarterly report to Council on execution of Council resolutions	Quarterly report to Council	All resolutions passed by Council have been attended to. See schedule at end of report.
		Development of By-Laws, policies procedures, delegation of powers and strategies	Develop and or review By-Laws, policies, procedures, delegation of powers and strategies and delegate powers to sub-ordinates	Quarterly report to Council	The following budget related policies have been reviewed prior to the approval of the 2012/13 budget: Bad Debt Write-Off, Tariffs, Credit Control, Indigent Support, Supply Chain Management, Virement, Fixed Assets and Travel and Subsistence. A new policy on Delegation of Powers in terms of the MFMA was introduced and approved by Council. Delegations and sub-delegation of powers was cascaded to sub-ordinates.
		Employee Wellness programme	Availing of departmental speakers on funeral on invitation of families of deceased employees	Quarterly report to Council	Two requests were received to avail speakers on funerals.
		Labour relations	Facilitate prompt disciplinary actions against ill - disciplined employees	Quarterly report to Council	All requests for investigation of misconduct were drafted and provided to the Municipal Manager for final decision. Disciplinary actions were instituted where it deemed necessary. Fifteen disciplinary actions were conducted and finalised. Sanctions issued pursuant to disciplinary hearings ranged from dismissals to formal written warnings. Three employees were dismissed due to abscondment and five due to misconduct. Ten cases were referred to the Bargaining Council for Conciliation and or Arbitration: Three cases are pending, four cases were settled following agreements, two cases were won and one were won by the employee and re-instated.
			Proper management of leave	Quarterly report to Council	All audits queries regarding leave were received and attended to.
			Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Report to Council	The monthly print outs of the clock system have been retrieved from the system and availed to payroll. Of the four clock points three were in operation for the whole oversight period and one clock point was out of order for the last quarter.
		Organizational structure	Review of departmental organizational structure in line with	Proof of approval	The organizational structure was reviewed and submitted to Council with the 2012/13 draft budget. The organogram was subsequently approved by Council. The

			departmental goal		organogram was amended twice during the course of the year to provide for urgent and critical appointments.
		Fleet management	Management and reporting of use of departmental vehicles: Running cost and maintenance	Quarterly report to Council	The cost of the fleet (2 x VW Golf) for the 2011/12 financial year was monitored and reported to Council on a quarterly basis. The following is a summary of the costs reported: Fuel: R 60 511.46 Km Travelled: 65 811
			Accident report on damaged vehicles and repair of damage	Quarterly report to Council	No accidents occurred during the overview period.
FINANCIAL MANAGEMENT AND VIABILITY	Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	Prepare timeous departmental comment on internal and external audit reports		All internal and external audit queries were referred to the department and attended to.
			Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	Quarterly report to Council	Overtime limits have been monitored to stay within the allocation. Leave applications and procedures connected with it were observed as required by the policy and internal audit.
		Budget Control & monitoring	Submission of overtime control - overspending not to be in excess of 5%	Quarterly report	Overtime claims were monitored for overspending on a monthly basis. The budget allocated was not exceeded by the 5% norm.
			Updating of departmental asset register to reflect assets acquired, disposed and replacement.	Report to Council	All assets procured or disposed have been given through to the responsible employee for updating of the asset register.
			Review departmental insurance portfolio on annual basis	Report to Council	Asset register were scrutinized and updated for insurance purposes.
			Timeously reporting of all insurance claims on all assets	Report to Council	No incidents were encountered which requires the submission of insurance claims.
			Ensure representation of department on all SCM Committees and implementation of SCM policy in department	Report to Council	Corporate Services are represented on all bid committees. All meetings of the Bid Evaluation Committee were attended and minutes were provided on recommendations to the Bid Adjudication Committee.

	Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report	All documentation on procurement and disposal of assets are available and safeguarded by the Supply Chain Management Section.
		Budget and IDP Preparation	Draft and submit Budget and IDP Time Table	Report to Council	Draft budget and IDP time table has been completed and approved by Council.
			Develop a Service Delivery and Budget Implementation Plan (SDBIP)	Report to Council	The 2012/13 SDBIP has been drafted and has been approved.
		Budget Control & monitoring	Compile and implement a Supplementary valuation Roll	Proof of implementation	Supplementary Valuation Roll has been prepared for the 2011/12 financial year. Notices were placed in the local media and Provincial Gazette and posted to individual owners. Eleven objections were received were rejected by the Municipal Valuer. All objections were dismissed by the Municipal Valuer and same have been implemented on 1 April 2012. Accounts based on the new valuations have been served on owners.
		Debtors management	Annual review and implementation of approved credit control and debt collection policy	Report to Council	An annual review of all budget related policies has been done and submitted with the draft budget in March 2012. The policies were approved by Council on 31 May 2012.
		Budget and IDP Preparation	Draft and submit departmental budget needs	Quarterly report to Council	Budget needs for 2012/13 has been prepared and availed to the Budget and Treasury Office in March 2012
			Monitor Service Delivery and Budget Implementation Plan (SDBIP)	Quarterly report to Council	Monitoring of the SDBIP is being done on a monthly basis
			Submission of budget control - overspending not to be in excess of 5%	Quarterly report	All expenditure votes are within the prescribed limit
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	Draft quarterly newsletter on Community Services matters and current issues within the municipality	Proof of information leaflet	Two newsletters have been drafted for the 2011/12 financial year. No inputs from managers could be derived for compilation of the other two quarterly newsletters. Various notices were issued to the inhabitants on service delivery problems were done to inform the inhabitants of service delivery problems. A system of e-mail notification has been used to convey urgent notices to the public.
			Attend quarterly Council Meets the People meetings	Minutes approved by Council	Two Council meets the People have been attended

			Attend budget and IDP consultative meetings	Attendance register and minutes	All budget and IDP consultative meetings scheduled for third and fourth quarter have been attended. Minutes were kept and attendance register filled out.
			Attend Local IGR meetings	Quarterly report to Council	No local IGR meetings scheduled during period in overview
		Management of complaints and community feedback	Ensure registration and handling of service delivery complaints	Quarterly report to Council	All service delivery complaints have been given through to the Credit Control and Customer Care Officer in the Finance department.
			Give instant feedback to community members on disruption of services	Approval by Council	A system is in place to give through incurrences of service delivery disruptions. The data base is currently not completed because the initiative to obtain numbers has not been a great success. Service delivery problems are currently given through to inhabitants by means of hand delivered notices and e-mail.

5. VALUATION OF PROPERTIES UNDER THE PROPERTY RATES ACT.

5.1 The Section: Council Support Services has completed all the legal requirements to implement the Supplementary Valuation Roll to correct all omissions and properties incorrectly valued, new building developments, additions, newly registered erven, sub-divisions, consolidations and re-zoned properties. The new valuations have been captured on the financial system and accounts based on the new valuations were rendered as from 1 April 2012.

5.2 The municipality's General Valuation Roll was implemented on 1 July 2009 and would last for four years which would end on 30 June 2013. Due to the high cost of doing a new General Valuation Roll, the MEC for Coghsta was requested, as provided for in Section 32(2)(b) of the Local Government: Property Rates Act, 2004, (Act 6 of 2004), to extend the validity of the General Valuation Roll for another year. The new General Valuation Roll will be compiled, ready for implementation on 1 July 2014.

6. SUPPLY CHAIN MANAGEMENT

6.1 Advertisements were drafted and advertised for the procurement of goods and services which must in terms of the policy and the MFMA is subject to competitive bidding. Advertisements drafted by other departments were scrutinized for conformity and adherence to the MFMA, Preferential Procurement Act and Regulations promulgated under the Act and the Supply Chain Management Policy of Council.

6.2 All Bid Committee meetings have been attended as scheduled.

7. CORRESPONDENCE

All correspondence referred to the department by the Municipal Manager were attended to.

8. SUBMISSIONS WRITTEN TO COUNCIL / PORTFOLIO COMMITTEE

The following submissions were drafted for Council:

- Delegation of Powers: MFMA

- Salary and Wage Increases
- Revision of Organogram
- Increase of Councillor Remuneration
- Schedule of Council Meetings
- Closure of Offices
- Annual Planner;
- Public input on 2012/13 budget;
- Adjustments budget: 201/11;
- Submission of Draft 2012/13 budget;
- Revision of Budget related Policies;
- Recruitment of Municipal Manager;
- Appointment of an Acting Municipal Manager;
- Establishment of a Municipal Accounts Committee;
- Submission of Oversight Report;
- Registering of Servitude: Mainstream Renewable Energy;
- Re-establishment of Project Steering Committee;
- Acquisition of Land: traditional Healers;
- Alienation of Tennis Clubhouse;
- Extension of General valuation Roll
- Review of Organogram;
- Population of Council Committees;
- Strategic Planning and Population of Committees;
- Establishment of Ward Committees;
- Delimitation of Municipal Boundaries;
- Working Groups: SALGA;
- 100 Days report;
- Appointment of Candidates: Vacant posts;
- Local Government Turn Around Strategy;
- Ouboks In Situ Upgrading Project;
- Establishment of Interviewing Panel: Section 57 Employees;
- Salary and Wage Increase: Collective Agreement;
- Introduction of new Policies;

9. MEETINGS ATTENDED

9.1 The following meetings were attended with the purpose to keep minutes:

- Management meetings;
- Local Labour Forum meetings;
- Special Council meetings;
- Quarterly Council meetings;
- Portfolio Committee meetings;
- Shared Services: Performance Plans;
- Consultation: High Court Case: Piet van Wyk//Umsobomvu Municipality;
- Bid Evaluation meetings;
- Arbitration meetings;
- Public Hearing on Oversight Report.

10. GENERAL WORK

- Contract were drafted for various leases;
- Contracts were drafted for casual workers and permanent employees;

11. OVERSIGHT REPORT

11.1 For the first time since the requirement to draft and submit an Oversight Report, the Council has for the 2009/10 financial year submitted an Oversight Report

11.2 The 2010/11 Annual Report has been submitted to Council on 31 January 2012 and Council should no later than two months from the date of tabling, consider the Annual Report and adopt an Oversight Report.

11.3 The Annual Report has been made public immediately after it was tabled and the public invited to submit representations. At closure of the time frame allowed for submissions, no input has been received from the public.

11.4 With the submission of the 2010/11 Annual Report, the Audit Report of the Auditor General has not been included in the report due to the fact that the report was not ready for submission, thus the time frame provided for in the applicable legislation could not be met as the Audit Report was only submitted on 12 April 2012 to Council.

11.5 To facilitate consideration of the Annual Report in its entirety the Council should obtain the views of the Audit Committee, which is charged with providing Council with, among other matters as prescribed, an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, performance management and the level of compliance with the MFMA, Division of Revenue Act (DORA) and other relevant legislation.

11.6 In order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

11.7 Should the Council have reservations on any matter in the report then these reservations should be outlined in the Oversight Report and the executive and administration should address these as determined by Council. A conclusion that the report is approved without reservations is the preferred outcome from the process. However, this conclusion should not be an outcome of only cursory examination of the report but should be as a result of a rigorous analysis by Councillors with inputs from the public and other stakeholders.

11.8 To enable the Oversight Committee to draft and submit an Oversight Report to Council, the Committee, comprising of three Councillors and a member of the community, was assisted by the Council Support Section to fully understand their role and mandate received from Council. To this effect, a training session was presented to the Committee and they have been given all documents needed to compile an Oversight Report.

11.9 The Committee, apart from the official notices published in the local newspaper, on the official notice boards and availed in all libraries and offices, held public hearings to solicit public input. These meetings were held in Noupoort, Colesberg and Norvalspont. The meetings were of very little assistance as the public fails to understand their role with regard to public input on the Annual Report. Various attempts were made to facilitate the responses required from the public, but to no avail.

11.10 At a meeting held on 31 May 2012, the Oversight Report was submitted to Council and same approved the report without reservations.

11.11 Following the approval of the Oversight report, the report was advertised and a copy thereof was provided to Cogsta, the Auditor General and National and Provincial Treasury.

12. EXECUTION OF COUNCIL RESOLUTIONS

STATUS OF EXECUTION OF COUNCIL RESOLUTIONS: DEPARTMENT: CORPORATE SERVICES			
COUNCIL RESOLUTION NR.	COUNCIL RESOLUTION DESCRIPTION	STATUS	REASON FOR NOT BEING EXECUTED AND OR ACTIONS TAKEN
21/08/2011	Revision of Organogram: 2011/12 Financial Year and Filling of Critical Posts	Executed	
22/08/2011	Application for the Rezoning of Erf 458, Situated at 21D'UrbanRow, Colesberg: Hantam Community Education Trust	Executed	
23/08/2011	Application for the Alienation of Erven 583 and 584, Kuyasa, Colesberg: Mr. W.N. Booi	Executed	
24/08/2011	Population of Council Committees	Executed	
25/08/2011	Delimitation of Municipal Boundaries Process Plan	Executed	
30/08/2011	Working Groups Representation: SALGA	Executed	
	Campaign for the Development of an Institution of Higher Learning in Umsobomvu	Executed	
33/11/2011	Amendment of 2011/12 Organogram	Executed	
34/11/2011	Working Groups Representation: SALGA	Executed	
35/11/2011	IDP Process Plan	Executed	
36/11/2011	Introduction of Policies: Mayoral Vehicle, Commonage Land Allocation; Brickmaking Land Allocation	Executed	
38/11/2011	Establishment of a Municipal Accounts Committee	Executed	
42/11/2011	Draft Logo: Umsobomvu Municipality	Executed	
43/11/2011	Interviewing Panel: Municipal Manager and Section 56 Managers	Executed	
44/11/2011	Ouboks Housing Project	Executed	

46/12/2011	Closure of Offices	Executed	
47/12/2011	Annual Planner	Executed	
48/12/2011	Adoption of Municipal Support Plan: MFIP	Executed	
49/12/2011	Delimitation of Municipal Boundaries	Executed	
54/02/2012	Address memo to all drivers of municipal vehicles stating the provision of the policy prohibiting the transportation of private individuals in municipal vehicles;	Executed	
54/02/2012	Investigation be conducted in Noupoort to identify suitable land for the development of cemeteries	Executed	
55/02/2012	Alienation of Business Erven: Ouboks ISUP	Executed	
56/02/2012	Alienation and Subdivision of Erf 675, Colesberg: Ncedisizwe Traditional Healers Association	Executed	
57/02/2012	Permanent Access from Industrial Erf 835 to Industrial Erven 1049 over Council's Erf 833	Executed	
58/02/2012	Extension of Validity: General Valuation Roll: 2009-13 to 2014	Executed	
60/02/2012	Appointment of Candidates: General Workers and Library Assistant (Drafting and signing of contract and letter of appointment)	Executed	
61/02/2012	Recruitment: Municipal Manager	Executed	
62/02/2012	Adjustments Budget 2011/2012 (Advertising of Adjustments Budget)	Executed	
63/03/2012	Draft Reviewed IDP: 2012/13 (Advertising of Draft IDP)	Executed	
64/03/2012	Draft Budget: 2012/12 (Advertising of Draft Budget)	Executed	
65/03/2012	Budget Related Policies (Advertising of Reviewed Policies)	Executed	
30/08/2011	Application for the upgrading of the Colesberg Tennis Club	Executed	
54/02/2012	Investigation be conducted in Noupoort to identify suitable land for the development of cemeteries	Executed	
55/02/2012	Alienation of Business Erven: Ouboks ISUP		In process

56/02/2012	Alienation and Subdivision of Erf 675, Colesberg: Ncedisizwe Traditional Healers Association	Executed	
57/02/2012	Permanent Access from Industrial Erf 835 to Industrial Erven 1049 over Council's Erf 833	Executed	
60/02/2012	Appointment of Candidates: Chief Clerk, Manager Mayor's Office, Pa Mayor and Traffic Officer (Drafting and signing of contract and letter of appointment)	Executed	
61/02/2012	Recruitment: Municipal Manager	Not Executed	Long list currently compiled
66/05/2012	Advertising of Audit Report	Executed	
68/05/2012	Registering of Servitude: SA Mainstream Renewable Power	Executed	
73/05/2012	Oversight Report	Executed	
78/05/2012	Framework of Delegations: MFMA	Executed	
86/06/2012	Revision of Organogram	Executed	
87/06/2012	Establishment of MPAC	Executed	
88/06/2012	Appointment of Acting Municipal Manager	Executed	

TECHNICAL SERVICES DEPARTMENT

DRAFT

UMSOBOMVU MUNICIPALITY

ANNUAL REPORT: JULY 2011 TO JUNE 2012

DEPARTMENT: TECHNICAL SERVICES

1. DEPARTMENTAL VISION/MISSION

The vision of the Umsobomvu Municipality is to be the fastest economically developing municipality in South Africa.

The vision of the Technical Services Department is to be transparent, responsive and to provide a better service for all residents.

The mission is to uplift our community socially and economically, by delivering quality services and customer care through our dedicated staff.

2. INTRODUCTION AND OVERVIEW

Chapter 7 section 151 of the constitution spells out the status of the municipality and section 152 states the objectives of municipalities. Further in schedules 4B and 5B municipal functions are clearly listed.

Municipal Systems Act expects the municipality to perform in the following key performance areas; infrastructure and services, social and economic development, institutional transformation, democracy and governance, and financial management.

3. KEY PERFORMANCE AREAS

3.1 Basic Service Delivery

3.1.1 Basic Service Delivery and Infrastructure Development

The department strategy in this key performance area is to improve and provide basic services of good quality to the residents by improving water quality and continuity of water services to all the households through quality infrastructure.

3.1.1.1 Water Services Emergencies

Water services emergencies experienced during the year is shortage of water supply to the community, due to power failure supplying the borehole system, the municipality lost a motor and this placed a huge strain on the supply coming from the boreholes.

In Noupoort the emergency occurred when Klipheuwel booster pump switch gear failed. The water supply to the community reached unprecedented levels which one member of the community called stating that management does not care about Noupoort. In Norvalspont the pump was burnt due to low level in the river and lack of monitoring by personnel.

The borehole pump was repaired and is currently running. Low water level still poses a threat to excellent service delivery the municipality is hoping to achieve. Noupoort did not experience water problems during the second quarter of the financial year. In Colesberg the municipality is currently managing the demand by closing the water between 11:00 till 17:00 during the day and from 21:00 till 04:00 the following day.

Water services emergencies are normally due to unplanned maintenance or repairs to either pumps or motors. During January there was no water shortage in Colesberg except in Madikane Street where water pressure was too low and some households were deprived of getting water in their taps. During March two electrical motors burnt in Norvalspont abstraction point which left the community without water for three days. The water tanker was used to supply the community with water from Colesberg.

During April to June water supply was without any interruptions except the normal times which water is closed in Colesberg and Norvalspont. The risk in Noupoort is the increased vandalism on municipal water infrastructure such as Baradeel booster pump station.

3.1.1.2 Water Demand and Conservation Management

Town or Centre	**Water Pumped (Kl/month)**		
	Jul 11	**Aug 11**	**Sep 11**
Colesberg (Surface and Groundwater)	159 365	167 832	168 480
Noupoort (Groundwater)	56 160	58 032	89 850
Norvalspont	10 258	16 740	19 440

Town or Centre	Water Pumped (Kl/month)		
	Oct 11	Nov 11	Dec 11
Colesberg (Surface and Groundwater)	165 949	134 136	168 538
Noupoort (Groundwater)	55 552	53 760	55 552
Norvalspont	15 387	14 807	14 891

Town or Centre	Water Pumped (Kl/month)		
	Jan 12	Feb 12	Mar 2012
Colesberg (Surface and Groundwater)	173 961	171 114	175 898
Noupoort (Groundwater)	58 032	54 288	57 564
Norvalspont	20 088	18 792	18 144

Town or Centre	Water Pumped (Kl/month)		
	Apr 12	May 12	Jun 12
Colesberg (Surface and Groundwater)	156 492	161 708	152 842
Noupoort (Groundwater)	59 160	55 552	59 160
Norvalspont	4 795	4 955	4 651

The table above attempts to record water pumped during each month. The idea is to show the council how much water the municipality is pumping, purifying and distributing to the community. Finance department should supply the volumes of water sold to the community and any water not sold will be regarded as unaccounted for water.

Water pumped by the municipality from the Orange River and ground water is 2 831 925 Kiloliters over the financial year. The quantity applied for in the licenses by the municipality should be compared to what the municipality is abstracting. If the municipality is abstracting more than what is allowed in the license will pay penalties.

3.1.1.3 Water Quality

The table below indicates test samples taken for all the three towns.

Month	Total number of sample points	Total number of samples taken	Number of samples complying	Reasons for non compliance and remedial actions
July 11	9	7	6	E.Coli detected only in Eurekaville. SAPC exceeded the limit at Karoo Guesthouse and Enock Mthetho High
August 11	9	9	3	Complies on E.coli but failed on TCC (Total Coliform Count)and SAPC (Standard Agar Plate Count)
September 11	9	4	4	No results for the other sampling points
October 11	9	6	6	No results for other sampling points, such as Norvalspont
November 11	9	9	4	No results for other sampling points such as Norvalspont
December 11	9	7	4	Enock: E.Coli, Hospital: E.Coli, Clinic: E.Coli
January 12	9	9	4	Lowryville clinic, E.Coli; NVPT clinic & WTW, E.Coli; E Mthetho, E.Coli; Eurekaville, E.Coli and F Visser, TCC
February 12	9	9	3	CWTW, NVPT clinic, NWTW, E Mthetho, Eurekaville clinic and F Visser all did not comply with E.Coli
March 12	9	9	2	E Mthetho, Eurekaville clinic, CWTW, Lowryville clinic, CReservoir, NVPT clinic and NWTW all did not comply with

Month	Total number of sample points	Total number of samples taken	Number of samples complying	Reasons for non compliance and remedial actions
				E.Coli
April 12	9	9	6	No results received from NHLS
May 12	9	9	8	NWTW E.coli not tested.
June 12	9	9	N/A	No results received from the lab

From July 2011 through to June 2012 there has been inconsistency in sampling. Only 92% of samples were taken and just 43% complying. National Health Laboratory Services (NHLS) delayed to post the municipal water results during July, August and September. Escherichia Coli detected in Eurekaville in July but not anywhere else. All samples taken in August failed in total coli form count and standard Agar plate. During the second quarter of the year the delays in forwarding the results to the municipality from NHLS continued. This puts the residents at risk because the municipality depends on the results to determine if it complies with SANS 2011.

The department fared badly during the third quarter of the year. Only 50% of the samples complied against Escherichia Coli type 1. The department re-sampled during March in all the three towns and all the samples in Colesberg complied and the challenges are still experienced in Noupoort due the chlorination devise which took some time to reach the municipality.

All the samples taken during April to May 2012 complied with SANS 241 requirements. The challenge the municipality faced is the time it takes for NHLS to release the test results. The department has contacted UFS IGS to carry out drinking water quality test on behalf of the municipality.

3.1.1.4 KPI's on service delivery

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
To improve and provide basic services of good quality to the residents	To improve water quality and continuity of water services to residents	Provision of sustainable water to residents	All households	All 5 743 households in the municipality are provided with potable water including additional 360 in new Ouboks
		Number of blue drops achieved. 2010/11:35%	100%	18% achieved in average. Uploading of drinking water results
		To ensure proper management of	1	Phase 1B of BWS, 10 LLCs (Vuk'Uphile learnership) and

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
		Bulk Water Supply project		CWTW
		To ensure proper management of water provision agreements- Bloem Water and Private owners	3	Bloemwater-Umsobomvu contract to be honored by Bloem Water. Meeting to be scheduled between parties. Second attempt made to forward the contract to Bloemwater
		Report on the percentage of households with access to basic level of water	100% households in the municipal area	98.4% as indicated in the IDP
		Replace 10 network valves in Colesberg	10 valves in Colesberg and Noupoort	Not achieved. Budget constraints. Water meters for new Ouboks Project
		Number of water leaks detected/reported and repaired	All detected water and reported leaks	56 leaks were detected and repaired
		Report on number of hours, Bulk Water Supply lines are down due to leaks	Total shutdown hours	None.
		Report on the number of hours the Borehole system is down	Total shutdown hours	Colesberg: 10/12/2012, 6 hrs. Fault on transformer CCF5-26-2-3 &10 hrs, 10/06/12; Noupoort: 10 hours
		Report on the number of hours each borehole is down	Total shutdown hours	Only two boreholes not working. Each borehole is been standing for 8 760 hrs
		Report on the number of hours pump station duty and standby pumps are down	Total hours down	12/07/11 and 21/08/11 for 10 hrs planned maintenance, 6 hrs unplanned on 04/08/11; 29/11/11, 06/12/11, 10/12/11 and 29/12/11, 24/01/12, 6hrs unplanned; 01/02/12, 6 hrs unplanned; 06/02/12, 10 hrs planned; 12/02/12,10hrs planned; 21/03/12, 10hrs; 10/06/12, 10 hrs and 20/06/12 planned; NPT: 21/06/12, 6 hrs unplanned
		Report on amount of funds spend on maintenance in accordance with allocated budget	Total annual maintenance budget: R305 925	R348 490 spent during the quarter. 14% over expenditure during the year
		100% Compliance with SANS 241 for E.coli	100% compliance	43% compliance. Failures in Norvalspont.

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
		Equip WTW laboratory to carry out chemical tests on water	1 laboratory: Colesberg	None.
		To ensure effective and efficient operation of CWTW	Colesberg Water Treatment Works	Proper paper trail to be kept. Paper trail, still a challenge in the water section
	Implementation of WSCDBP	Sectorise the network	All areas	None.
		Sourcing of funds for upgrading of Van der Waltsfontein	VDW booster pump	Van der Waltsfontein's MIG1to be forwarded to the RBPAC for recommendations
		Responding to customer complaints	All complaints registered with customer care	Complaints registered with customer care officer
		Fencing of Van der Waltsfontein Reservoir	Van der Waltsfontein	None. Status remains in the 2nd quarter
		Equipping boreholes	All boreholes not equipped	None. Colesberg and Noupoort, all boreholes working. Norvalspont, one borehole working
		Report on monthly water audit on Bulk Supply lines: Tollhuis to WTW to reservoir; Van Der Waltsfontein to reservoir	Audit all water pumped and purified	Handled under water demand and conservation
		Report on percentage reticulation losses and implementation of remedial actions to reduce losses by 5%	All the section in the residential areas	No bulk water meters on strategic points.
		Installation of meters on communal taps	All meters identified	1 water meter installed: Petrusville informal settlement
		Report on meters repaired/replaced and made them readable.	All meters reported by finance	832 meters made readable through repairs and replacement

3.1.1.5 Preventative maintenance

With the lack in capacity in the section for compiling asset register, there is no planning ahead on planned maintenance for water equipment. Different institutions are offering maintenance workshops on how maintenance engineers and technicians should plan around types of maintenances. The municipality is not doing well in this regard, example is Noupoort booster pump where contactors were faulty and water could not be pumped to the main reservoir.

3.1.1.6 Vehicles and mobile equipment maintenance

		Jul 11			Aug 11			Sep 11		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 208 NC	-	R5 204.30	R1 767.87	4 950	R3 976.99	R434.21	5 494	R8 591.25	R444.74
Nissan 2.0	BSF 210 NC	-	R0.00	R4 794.44	-	R620.80	R297.37	-	R1 717.55	R0.00
Isuzu	BDC 676 NC	-	R0.00	R7 000.69	-	R3 327.71	R109.65	-	R4 286.90	R4 912.29

		Oct 11			Nov 11			Dec 11		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 208 NC	4 364	R6 071.24	R2 821.83	-	R5 432.66	R123.68	-	R4 171.02	R976.40
Nissan 2.0	BSF 210 NC	-	R0.00	R2 175.12	-	R1 190.54	R0.00	-	R3 474.10	R0.00
Isuzu	BDC 676 NC	-	R0.00	R0.00	-	R0.00	R171.05	-	R0.00	R1 088.11

		Jan 12			Feb 12			Mar 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 208 NC	2 316	R 4 464.24	R12 885.07	4 905	R 5 982.49	R657.60	5 037	R6 099.91	R21.93
Isuzu	BDC 676 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R1 730.00

		Apr 12			May 12			Jun 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 208 NC	-	R5 704.90	R485.98	-	R4 208.06	R832.89	-	R0.00	R0.00
Isuzu	BDC 676 NC	-	R0.00	R0.00	-	R0.00	R323.68	-	R3	R167.54

									142.62	

The running cost during July 11 to June 12 is R77 991 and R42 442 respectively for maintenance. BSF 210 NC in Noupoort was taken to Community Development department. Despite the drivers taken through fleet management policy, the log books are still not completed on a daily basis, and this distorts distance travelled per liter of petrol. The second vehicle is still needed in Colesberg so that bulk water meters could be read every month and inspection carried out on the pipe line.

3.2.1.6.1 Water purification and provision personnel

Standby entry in July is suspects; there is a minimum of two supervisors on standby at all times. In September salaries paid were up by R23 668 compared to July. Salaries figures paid during the second quarter of the financial year are consistent. Overtime cost for the water section is high. This is due to hours spent daily by supervisors to open and close water every morning and evening in Colesberg. In Noupoort it is because of water infrastructure which is far apart which need to be monitored continuously. During the third quarter salaries were again consistent, but by May 2012, salaries were down by R12 296.

Months	Salaries	Overtime Cost	Standby Cost	Leave
July 11	R160 661.50	R26 296.67	R273.38	R19 776.43
August 11	R157 329.70	R25 510.14	R2 895.41	R4 648.25
September 11	R184 749.90	R23 346.39	R1 427.20	R12 944.22
October 11	R164 304.81	R24 234.59	R2 934.66	R31 131.01
November 11	R165 488.21	R23 646.60	R1 697.82	R0.00
December 11	R164 966.21	R12 737.44	R3 774.20	R0.00
January 12	R164 019.49	R21 183.59	R4 500.24	R17 750.99
February 12	R164 019.49	R33 729.60	R3 440.64	R11 370.83
March 12	R164 729.53	R20 532.76	R981.72	R26 288.33
April 12	R163 072.77	R20 174.66	R1 968.54	R16 989.75
May 12	R152 670.61	R21 196.40	R5 735.82	R0.00
June 12	R160 813.46	R19 947.46	R3 841.86	R14 792.49

3.1.1.7 Ground Water Monitoring

Ground water monitoring entails looking at quality and level of water in all the boreholes. The municipality is still doing poorly in this component because the computer program dealing with the above is still not working. The yield capacity of each borehole should be monitored weekly.

The municipality was given a grant to employ the services of PSP to look into ground water infrastructure in Noupoort. The progress was slow and the grant might be taken away at the end of March 2012.

GHT consulting recently undertook a pump test at Goodshed borehole at the rail way station in Noupoort. The borehole was pumped for 72 hours at 1.75 liters per second, and the water level did not change. The borehole in Norvalspont is being running without any problems and in Colesberg the challenge is to get all boreholes running.

3.1.1.8 Managing the distribution of water to customers

The municipality currently serves 5 743 households and businesses according to finance department. Ouboks housing project has completed additional 1050 houses of which more than 500 are occupied. The municipality's asset register has just been completed; all water assets value will be reported to council.

Distribution of water to customer has continued to be a challenge for the municipality. During the second quarter Norvalspont experienced severe water shortage due to low water level in the Orange River. In Colesberg restrictions in the form of closing water at certain times were imposed due high water usage in the area. Despite ground water infrastructure being in a poor state, Noupoort managed to consistently supply water to the residents.

3.1.1.9 SANITATION: VOTE 407005

3.2.1.9.1 Service delivery KPI's

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
To improve and provide basic services of good quality to the residents	To improve sanitation quality and continuity of services to residents	Number of green drops achieved	1	2011/12 assessment on 29 Feb 2012, less than 10% achieved in all three WWTWs
		Sourcing of funds for upgrading of Norvalspont sewer network and pump station	1	Business plan sent to MIG provincial office. Applications turned down for the second time
		Report on the percentage of	All	795 households use VIP as

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
		households with access to basic level of sanitation (VIPs)	households with basic level of service	basic level of service. Some households were given buckets back due to full VIP toilets
		Number of sewerage spills/blockages detected/reported and repaired	100% of the number detected	548 blockages reported and attended to. Sewer spillage in Noupoort spilling for two weeks was also attended to.
		Sourcing of funds to upgrade 444 VIP's to water borne sewer system	444 VIPs	Technical report compiled. MIG1 form to be filled
		Empty full VIP's in areas not services by Ouboks ISUP	795 VIPs	Loan application with ABSA for the fleet approved
		Report on amount of funds spent on maintenance in accordance with allocated budget	100% of budgeted funds (R86 435)	R56 919 spent. 66% spent during the financial year
		Provision of temporary sanitation services to Shell informal settlement in Norvalspont	2 VIP toilets	Not achieved

3.1.1.9.2 Vehicle and mobile equipment running cost

		Jul 11			Aug 11			Sep 11		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Nissan 2.0	BSF 209 NC	638	R1 314.90	R0.00	2 421	R2 071.45	R0.00	2 814	R3 266.71	R0.00
Suction Trailer	BDC 672 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R3 127.85	R0.00
Suction Truck	BDC 682 NC	-	R2 849.60	R0.00	-	R0.00	R0.00	-	R2 083.50	R0.00
Truck, Nightsoil	BDC 684 NC	-	R3 548.80	R0.00	-	R3 488.55	R0.00	-	R2 972.35	R0.00
Sewer Machine	BDC 660 NC	-	R0.00	R0.00	-	R0.00	R42.98	-	R0.00	R11 955.60

		Oct 11			Nov 11			Dec 11		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Nissan 2.0	BSF 209 NC	1 204	R3 077.63	R0.00	1 834	R2 724.74	R8 018.75	-	R2 889.54	R0.00
Suction Trailer	BDC 672 NC	-	R4 894.05	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Suction Truck	BDC 682 NC	-	R0.00	R0.00	-	R0.00	R1 622.81	-	R0.00	R0.00
Truck, Nightsoil	BDC 684 NC	-	R0.00	R7 276.09	-	R0.00	R0.00	-	R0.00	R0.00
Sewer Machine	BDC 660 NC	-	R1 371.10	R96.49	-	R0.00	R0.00	-	R0.00	R0.00

		Jan 12			Feb 12			Mar 12		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Nissan 2.0	BSF 209 NC	1 392	R1 374.15	R976.41	1 195	R2 123.17	R0.00	1 905	R3 549.90	R0.00
Suction Trailer	BDC 672 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R2 527.85	R0.00
Suction Truck	BDC 682 NC	-	R0.00	R1 706.79	-	R0.00	R196.03	-	R0.00	R0.00
Truck, Nightsoil	BDC 684 NC	-	R0.00	R877.19	-	R0.00	R0.00	-	R0.00	R0.00
Sewer Machine	BDC 660 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00

		Apr 12			May 12			Jun 12		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Nissan 2.0	BSF 209 NC	-	R2 096.69	R507.91	-	R5 827.29	R0.00	-	R5 739.20	R373.96
Suction Trailer	BDC 672 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00

		Apr 12			May 12			Jun 12		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Suction Truck	BDC 682 NC	-	R745.61	R1 677.65	-	R3 844.75	R701.75	-	R0.00	R4 331.80
Truck, Nightsoil	BDC 684 NC	-	R0.00	R0.00	-	R0.00	R8 269.59	-	R0.00	R1 980.00
Sewer Machine	BDC 660 NC	-	R1 421.40	R0.00	-	R0.00	R0.00	-	R0.00	R798.56

The expenditure from July 11 to June 12 for sanitation vehicles is R68 931 and maintenance cost captured is around R49 430. The challenge in the sanitation section is the old trucks used to empty the septic tanks.

3.1.1.9.3 Sanitation personnel

Salaries figures paid in the section during the midterm are equivalent to R1 411 594. Overtime budgeted in the whole department is R30 000 per month and the portion for sanitation is around R5 000 per month for additional three hours on Mondays and Thursdays as for possible blockages during weekends. On Mondays and Thursdays around 43 buckets are emptied in the formal and informal households.

Months	Salaries	Overtime Cost	Standby Cost	Leave
July 11	R117 773.78	R4 435.99	R0.00	R4 754.42
August 11	R115 414.07	R4 569.42	R0.00	R15 765.09
September 11	R139 486.70	R4 513.94	R0.00	R5 047.76
October 11	R126 057.55	R1 945.17	R0.00	R3 959.29
November 11	R112 533.92	R1 900.08	R0.00	R7 584.60
December 11	R112 530.97	R3 806.90	R0.00	R5 100.83
January 12	R113 274.34	R7 855.08	R1 961.72	R0.00
February 12	R113 274.34	R2 699.56	R0.00	R51 075.02
March 12	R113 037.66	R3 389.22	R0.00	R5 162.25
April 12	R121 907.34	R902.64	R0.00	R14 923.67
May 12	R113 029.50	R920.88	R0.00	R5 162.25

Months	Salaries	Overtime Cost	Standby Cost	Leave
June 12	R113 274.26	R1 531.25	R0.00	R0.00

3.1.1.9.4 Managing the provision of sanitation to customers

Managing provision of sanitation in Colesberg has become a challenge due to the fact that there are four types service level provided. The number of buckets emptied twice a week is now more than 43 due to the fact that some of the VIP toilets are full again despite being emptied during November and December of 2010.

The finance department and technical did not update service levels after the bucket eradication programme in 2005/06 financial year. It still shows on the income section that there are still around 2 000 buckets in the municipality.

VIP toilets continue to pose challenges for the municipality. Above that, the municipality is required to build toilets which were not built during the housing project in Chris Hani around 2001.

Currently the municipality is managing the provision of sanitation to all residents well. As it is known, there are still buckets in the formal area such as the old Ouboks. There are farmers the municipality is servicing, one in Norvalspont and a farm school just outside Colesberg along N9 to Noupoort. Sewerage pump stations in Reguit Street and Eurekaville are still giving the municipality problems. The sewerage pump station in Norvalspont is also not working despite procuring a new pump. The challenge in the pump station is electronics.

3.1.1.10 ELECTRICITY: VOTE 508005

3.2.1.10.1 Electricity demand and management

Currently the municipality has 5 743 households. 2 182 household are supplied directly by the municipality which makes only 38% of total households and Eskom supplies the balance. With the help of Eskom electricity consumption was forwarded to the municipality. The Notified Maximum Demand in KVA for Colesberg is 4 000, Noupoort 2 500 and Norvalspont 200 respectively.

Colesberg	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11
NMD in KVA used	3,883.97	3,601.75	3,125.29	3,027.20	2,875.23	3,082.79
KWh used	1,916,283.00	1,763,827.00	1,454,399.00	1,473,997.00	1,426,820.00	1,555,503.00

Municipal Account	R1,491,163.61	R1,380,979.01	R643,157.72	R646,367.90	R625,481.71	R675,035.47

Noupoort	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11
NMD in KVA used	1,124.54	1,112.60	1,065.77	978.64	944.85	905.08
KWh used	501,740.00	498,370.00	449,992.00	451,923.00	431,624.00	434,533.00
Municipal Account	R412,417.05	R409,139.13	R204,225.65	R201,893.76	R193,953.20	R193,587.34

Norvalspont	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11
NMD in KVA used	159.17	158.64	157.85	177.37	156.79	247.71
KWh used	87,248.00	79,956.00	83,840.00	87,344.00	87,534.00	142,990.00
Municipal Account	R55,016.74	R72,288.85	R68,717.61	R47,686.58	R46,485.06	R75,338.95

Colesberg	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
NMD in KVA used	3,134.71	2,987.76	2,885.52	3,308.78	3,575.63	3,918.41
KWh used	1,581,605	1,391,029	1,517,223	1,480,131	1,649,980	1,820,346
Municipal Account	R685,392.87	R617,455.02	655,668.14	R657,931.52	R723,040.88	R1,451,908.24

Noupoort	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
NMD in KVA used	880.90	875.69	889.94	980.62	995.58	1,150.93
KWh used	432,977.00	382,438.00	402,806.00	414,569.00	454,006.00	513,059.00
Municipal Account	R192,234.32	R175,224.76	R182,560.80	R189,548.14	R203,170.54	R421,600.14

Norvalspont	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12

NMD in KVA used	244.58	242.21	242.84	246.37	246.17	239.56
KWh used	142,329.00	129,843.00	139,329.00	120,587.00	131,044.00	N/A
Municipal Account	R74,786.06	R70,643.60	R73,668.14	R68,274.76	R71,488.89	R112,336.93

3.1.1.10.2 Vehicle and mobile equipment running cost

		Jul 11			Aug 11			Sep 11		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Isuzu, 8-High up	BSF 217 NC	-	R0.00	R0.0	-	R0.00	R0.00	-	R0.00	R440.00
Nissan Hardbody	BSF 211 NC	-	R0.00	R0.00	-	R3 191.63	R0.00	-	R3 690.36	R1 880.80
Isuzu, Cherry Picker	BSF 213 NC	-	R0.00	R0.00	-	R1 612.40	R5 914.32	-	R2 401.80	R0.00
Nissan Hardbody	BDC 688 NC	-	R0.00	R0.00	-	R17 230.40	R0.00	-	R3 615.75	R0.00

		Oct 11			Nov 11			Dec 11		
Vehicle Type	**Registration**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**	**Km**	**Cost**	**Maintenance**
Isuzu, 8-High up	BSF 217 NC	-	R430.05	R130.01	-	R0.00	R0.00	-	R0.00	R0.00
Nissan Hardbody	BSF 211 NC	-	R4 878.75	R0.00	-	R6 840.41	R1 908.95	-	R3 411.11	R0.00
Isuzu, Cherry Picker	BSF 213 NC	813	R910.35	R5 153,51	-	R2 169.95	R5 034.74	-	R4 173.06	R0.00
Nissan Hardbody	BDC 688 NC	3 743	R3 443.90	R0.00	-	R4 954.85	R0.00	-	R4 837.96	R0.00

	Jan 12	Feb 12	Mar 12

Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Isuzu, 8-High up	BSF 217 NC	-	R0.00	R0.00	-	R3 476.70	R0.00	-	R1 764.32	R0.00
Nissan Hardbody	BSF 211 NC	-	R6 857.82	R0.00	-	R4 273.52	R0.00	-	R4 331.49	R0.00
Isuzu, Cherry Picker	BSF 213 NC	328	R877.90	R2 985.56	-	R1 309.55	R555.00	-	R56.75	R0.00
Nissan Hardbody	BDC 688 NC	3 191	R4 189.38	R0.00	-	R4 108.86	R440.09	3 129	R3 240.60	R0.00

		Apr 12			May 12			Jun 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Isuzu, 8-High up	BSF 217 NC	-	R4 042.06	R0.00	-	R2 772.25	R0.00	-	R5 109.01	R1 596.49
Nissan Hardbody	BSF 211 NC	-	R2 731.28	R2 105.28	2 151	R3 054.68	R2 021.72	2 567	R3 019.96	R754.39
Isuzu, Cherry Picker	BSF 213 NC	447	R1 004.15	R0.00	1 007	R1 977.15	R0.00	627	R2 360.10	R75.00
Nissan Hardbody	BDC 688 NC	3 740	R4 101.50	R485.98	4 668	R6 707.07	R3 450.00	1 217	R11 531.04	R0.00

General expenses and maintenance were not captured during the first month of the financial year due to misunderstanding between finance and technical department. During August, petrol use by BDC 688 NC was R17 230. On average the vehicle uses around R3 500 and less than 2 500 km a month. July entries for the entire vehicles were recorded under one vehicle, BDC 688 NC.

During the second quarter of the financial year there is nothing peculiar about petrol use by drivers in the electrical section. The concern in that section is the lack of filling in the log books properly and submission of weekly reports to the technician. Several meetings were held to address this problem but there is no improvement.

During the last month of the financial year R11 531 worth of petrol was used which do not correspond with the distance the vehicle covered.

The maintenance and the running costs in the section for the year are R112 358 and R50 138 respectively.

3.1.1.10.3 Electricity personnel

The electrical section has only five employees, two electricians, one assistant electrician and two general workers. Electricians are paid on level four in the municipality hence overtime cost is so high especially when there are problems either with the network or pumps at Orange River. In August the overtime and standby cost the section was around R25 122.

In October an assistant electrician in Colesberg was found guilty of gross misconduct and was relieved of his duties. In November Mr. Plam resigned from his position in the municipality as an electrician. Currently there is one electrician and two general workers in the electrical section. The municipality is also training an electrical engineering student technician stationed in Noupoort.

There is only one electrician in the municipality in the third quarter. The post of electrician and assistant electricians are vacant. The post of assistant in Colesberg should be transferred to Noupoort where there has not been an electrician for sometimes now. The overtime paid in January is extremely high and the March over time was not paid, and it will be paid in April.

In April one of the municipal electrician absconded. He was eventually dismissed in May. The post has been advertised and the post of assistant electrician in Noupoort will be filled in the next financial year. In May there was no overtime paid and in June over time paid was below R1000.

Months	Salaries	Overtime Cost	Standby Cost	Leave
July 11	R46 324.76	R4 450.44	R352.52	R0.00
August 11	R45 324.25	R17 190.51	R7 931.51	R4 648.25
September 11	R56 767.51	R11 035.54	R2 678.40	R6 653.97
October 11	R50 070.34	R4 896.99	R3 273.63	R259.03
November 11	R51 304.26	R17 460.68	R8 176.26	R8 513.28
December 11	R34 792.00	R15 222.34	R5 813.68	R0.00
January 12	R34 792.00	R16 086.98	R6 153.01	R0.00
February 12	R35 567.00	R8 560.98	R2 760.60	R0.00
March 12	R34 518.56	R1 146.68	R1 290.56	R19 164.50
April 12	R34 792.00	R15 503.64	R6 579.00	R0.00
May 12	R38 830.95	R0.00	R0.00	R0.00
June 12	R33 440.48	R942.54	R3 598.98	R5 696.67

3.1.1.10.4 KPI's on Service Delivery

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
To improve and provide basic services of good quality to the residents	To improve electrical infrastructure and related services of the municipality	Electrify 100 houses in Ouboks project R1 175 000 allocation for 2011/12 financial year	100 houses newly built	R1 175 000 transferred and only 60 connections achieved
		Draft a business plan for upgrading of Noupoort MV network from 6.6 KV to 11KV	Noupoort Medium voltage network	None. Status quo remains
		Draft an Alternative Energy Source policy	1	None. Status quo remains
		Revision of SLA between LM and Eskom (areas supplied by Eskom)	1	Meeting held on 11/11/11 with Eskom to deal with SLA. Another meeting held on 13/03/2012 still main agreement is missing
		Report on the number of hours the electrical MV and LT distribution network is down	Total black out in hours experienced	None
		Report on the number of transformers and mini substation serviced	All transformers and mini subs in the municipality	None. Transformers closed tops, no services required
		Report on the servicing of control gear at boreholes and pump stations	All control gears at the boreholes and pump stations	None.
		Report on the number of street and public lighting repaired	All high mast light in the municipality	4 high mast light: Kuyasa and 17 street lights. 3 high mast light in Kuyasa before during November and 2 in Noupoort
		Report on amount of funds spend on maintenance in accordance with allocated budget	Electricity budget: R479 692	R507 151 spent. 6% over expenditure
		Report on percentage reticulation losses and implementation of remedial actions to reduce losses by 10%	Network loss in the municipal supply area	None. Status quo remains
		Drafting and submission of business plan for the electrification of 250 houses of Ouboks project	Business plan and submission of application	Done

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
			form	
		Provision of electrical services and submission of M/Report	Report on HH supplied by the municipality	2 182 HH supplied by the municipality
		Identification of large consumers to be transferred to maximum demand meters	All large consumers in the municipal area	None. Status quo remains
		Drafting of business plan for replacement of high mast lights with ordinary street lights (Only problematic high mast to be replaced)	Eskom and municipal supply areas.	None. Status quo remains
		Draft a long term bulk infrastructure investment plan	Investment plan on substation	None. Status quo remains
		Draft, submit and obtain approval for increased maximum demand with Eskom (NMD less than 6000 kVA)	NMD to be increased in line with current development	NMD not yet exceeded. 4000 KVA in Colesberg not exceeded yet

3.1.1.11 PUBLIC TRANSPORT

3.2.1.11.1 Colesberg Taxi Rank

The taxi rank's phase 1 is complete. What is outstanding is the shelter, electricity and benches for patriots to sit. Several attempts were made to the department for a meeting to finalize the final phase of the rank, but no success so far. It is rumored that the director in the province feels that this rank is going to be a white elephant. If the department delays in starting the second phase, this will escalate in cost and vandalism of the facility.

The department has indicated that the final phase of the taxi rank will take place during 2012/13 financial year if there is an indication that funding is available from the department. Design plans and documentation should be ready for construction in April 2012.

3.1.1.12 STORMWATER

3.1.1.12.1 Management of stormwater systems

Both Colesberg and Noupoort are built in hilly terrain. During rainfall season stormwater in these towns becomes a challenge and 1:10 rainfall recurrent generates unprecedented stormwater runoff. Stormwater inlets are dilapidated and

needs attention. The intention is to line stormwater channels in the municipal area as part of job creation. But environmentally it is not recommended because streams must be as natural as is possible.

During the quarter around 600 meters of storm water channels were opened in Masiphakame, Khayelitsha, Lowryville and the informal settlement. Also 20 m of underground storm water pipes were laid Dry location. In Norvalspont 163 m of storm water channels were opened.

3.1.1.13 MUNICIPAL ROADS

3.2.1.13.1 Maintenance of gravel streets

The municipal streets inventory was compiled in 2010/11 financial year and the municipal asset register was also completed. The inventory must be reviewed on a yearly basis. Maintenance plan of gravel streets should be compiled from the inventory or the register. The following streets were re-graveled during July 2011 to June 2012;

Street Name	Centre / Suburb	Street Length (m)
Merle Street	Lowryville	600
Bendlela Road	Zwelitsha	400
Adelaide Street	Lowryville	600
Carol Street	Lowryville	600
Nkunzi Street	Khayelitsha	600
Maqina Street	Noupoort	300
Duda Street	Noupoort	400
Enoch Street	Noupoort	200
Mbali Street	Noupoort	400
Mthamo Street	Noupoort	200
Louw Street	Noupoort	500
Mtyhobile Street	Noupoort	200
Middleberg Street	Noupoort	300
Louisa Street	Noupoort	400

Jojo Street	Noupoort	200
Fourie Street	Noupoort	400
Platau Street	Noupoort	600
Verbene Street	Noupoort	500
J.J Klaasen Street	Noupoort	200
Foriestreet Street	Noupoort	200
Karoo Nessie street	Colesberg	20
Nuwehuizen	Noupoort	900
90 sites	Norvalspont	1 080 newly constructed
No name	Masiphakame	600

3.1.1.13.2 Maintenance of surfaced streets

All the three towns in the municipality have some sort of a surface road. Norvalspont has one surface street belonging to the province and some block paved streets. In Colesberg, surfaced streets have been maintained successfully with challenges of proper equipment. During the quarter ten drums of SS60 and CAT 65 each has been used to slurry and close potholes. Slurry was applied in Deona Street in Lowryville, and this improved the overall outlook of the street.

The following streets were treated with slurry during the second quarter of the financial year; Bendlela, Campbell, Voortrekker and portions of Church street. The materials used during this exercise are 10 tons of cement, 40 drums of SS60 and KMS65.

Maintenance of surface streets in Noupoort is lagging compared to Colesberg. With the appointment of the supervisor in Noupoort, maintenance of street will have to be in par with maintenance progress in Colesberg.

3.1.1.14 PUBLIC WORKS: VOTE 101810

3.1.1.14.1 Service delivery KPI for roads and stormwater

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
To improve and provide basic services of good quality to the residents	To improve road infrastructure and related facilities to support the economic and social	Report on amount of funds spend on maintenance in accordance with allocated budget	R775 737	R771 543, 99 % expenditure
		Report on maintenance and repair	All existing	763 m of storm water cleanup,

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
	requirement of the municipality by 2011	of storm water systems	stormwater inlets	20 m in Dry location and 20 m in Matanzima str
		Report on gravel roads bladed	All gravel street in the municipality	Colesberg = 10.8. km, Noupoort = 13.7 km, Norvalspont = 1.8 km
		Report on gravel roads re-gravelled	20 km	12.8 km all towns
		Draft or compile an integrated Transport plan for Umsobomvu municipality	One plan for the whole municipality	None. Status quo remains
		Report on repairing of potholes	All reported potholes	Slaterweg, Voortrekker street and Pres Kruger street, Earl Haig, Bendlela etc
		Upgrading of gravel roads to either paved or surface road	3 km in all three towns	None. Status quo remains
		Sport fields bladed	2	2 in Noupoort bladed

3.1.1.14.2 Public Works and Construction unit personnel

Months	Salary Cost	Overtime Cost	Standby Cost	Leave
July 11	R258 449.76	R17 897.68	R25.12	R13 840.59
August 11	R264 613.04	R10 371.82	R167.40	R9 192.34
September 11	R287 286.87	R5 084.98	R407.76	R1 294.37
October 11	R253 826.04	R6 110.17	R284.16	R9 992.11
November 11	R 255 267.22	R 5 770.95	R 284.16	R 24 828.33
December 11	R 266 013.27	R 6 664.16	R 426.24	R 9 679.41
January 12	R271 897.29	R17 719.38	R0.00	R41 113.20
February 12	R274 029.98	R10 335.66	R755.54	R9 861.66
March 12	R323 207.20	R8 444.45	R0.00	R26 906.44
April 12	R 324 625.90	R 12 010.37	R621.60	R 16 703.54
May 12	R 304 514.86	R 12 030.87	R284.16	R 15 953.58
June 12	R 301 469.95	R 10 704.70	R0.00	R 27 774.25

3.1.1.14.3 Vehicle and mobile equipment running cost

		Jul 11			Aug 11			Sep 11		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 207 NC	5 393	R0.00	R0.00	4 346	R4 458.47	R0.00	7 180	R7 606.70	R694.95
Nissan Tipper	BSF 215 NC	1 963	R0.00	R0.00	2 037	R6 018.90	R0.0	2 068	R6 316.08	R365.00
Nissan Tipper	BSF 216 NC	2 114	R0.0	R0.00	2 258	R6 673.25	R313.50	2 558	R6 552.74	R0.00
Isuzu	BDC 663 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Isuzu	BDC 671 NC	456	R0.00	R0.00	-	R1 643.95	R102.00	-	R3 620.67	R0.00
Grader	BXK 149 NC	118 hrs	R0.00	R18 536.33	81 hrs	R10 895.05	R32051.00	63 hrs	R5 529.27	R0.00
Front End Loader	BDC 668 NC	-	R0.00	R0.00	90 hrs	R9 497.50	R720.00	124 hrs	R6 889.30	R0.00
TLB	BSF 214 NC	450 hrs	R0.00	R0.00	79 hrs	R5 492.35	R10627.00	30 hrs	R1 449.55	R0.00
1400 Bakkie	BMH 267 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Tractor	BJY 297 NC	-	R0.00	R0.00	133	R1 458.25	R0.00	-	R0.00	R0.00

		Oct 11			Nov 11			Dec 11		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 207 NC	-	R10 733.35	R944.65	-	R5 123.48	R0.00	-	R3 870.62	R0.00
Nissan Tipper	BSF 215 NC	-	R6 916.36	R259.65	-	R4 932.88	R0.0	-	R1 350.65	R0.00
Nissan Tipper	BSF 216 NC	-	R6 752.74	R0.00	-	R5 166.51	R0.00	-	R4 434.15	R0.00
Isuzu	BDC 663 NC	-	R0.00	R2 850.88	-	R0.00	R228.95	-	R0.00	R0.00
Isuzu	BDC 671	-	R1 881.65	R0.00	-	R1	R3	-	R0.00	R0.00

		Oct 11			Nov 11			Dec 11		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
	NC					795.00	050.73			
Grader	BXK 149 NC	- hrs	R5 934.57	R0.00	hrs	R10 750.24	R1 518.67	hrs	R10 902.37	R911.78
Front End Loader	BDC 668 NC	-	R17 733.16	R0.00	hrs	R12 660.95	R2 430.68	hrs	R9 640.71	R474.56
TLB	BSF 214 NC	- hrs	R1 449.55	R0.00	hrs	R1 699.45	R0.00	hrs	R5 255.15	R0.00
1400 Bakkie	BMH 267 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Tractor	BJY 297 NC	-	R0.00	R0.00	133	R0.00	R3 867.98	-	R0.00	R142.15

		Jan 12			Feb 12			Mar 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 207 NC	3 236	R4 915.43	R200.00	2 998	R4 418.46	125.56	1 509	R3 716.17	R728.94
Nissan Tipper	BSF 215 NC	-	R0.00	R0.00	-	R0.00	R0.00	460	R680.45	R59.43
Nissan Tipper	BSF 216 NC	1 509	R1 899.65	R0.00	2 122	R5 734.90	R0.00	749	R7 848.95	R167.25
Isuzu	BDC 663 NC	-	R4 162.33	R0.00	-	R0.00	324.56	646	R2 678.95	R237.97
Isuzu	BDC 671 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R1 818.50	R0.00
Grader	BXK 149 NC	- hrs	R9 943.75	R1 870.49	67 hrs	R6 915.40	R660.34	54 hrs	R13 574.00	R9 458.35
Front End Loader	BDC 668 NC	4 hrs	R1 439.35	R2 715.00	51 hrs	R1 270.60	R0.00	40 hrs	R2 408.60	R1 733.12
TLB	BSF 214 NC	25 hrs	R2 597.75	R0.00	44 hrs	R1 892.20	R175.00	- hrs	R3 643.80	R5 436.08
1400 Bakkie	BMH 267 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Tractor	BJY 297	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00

		Jan 12			Feb 12			Mar 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
	NC									
Water Truck	BSF 218 NC	-	R0.00	R0.00	133	R1 458.25	R0.00	-	R1 078.85	R4 094.65

		Apr 12			May 12			Jun 12		
Vehicle Type	Registration	Km	Cost	Maintenance	Km	Cost	Maintenance	Km	Cost	Maintenance
Nissan 2.0	BSF 207 NC	3 015	R2 366.71	R2 182.69	3 656	R4 076.75	R0.00	4 423	R6 469.73	R796.97
Nissan Tipper	BSF 215 NC	-	R680.45	R0.00	-	R0.00	R173.69	473	R0.00	R7 606.23
Nissan Tipper	BSF 216 NC	914	R1 899.65	R105.26	1 469	R4 034.87	R0.00	1 024	R2 103.55	R4 635.18
Isuzu	BDC 663 NC	334	R1 038.95	R0.00	334	R2 768.90	R70.18	256	R0.00	R0.00
Isuzu	BDC 671 NC	-	R0.00	R0.00	-	R1 395.75	R1 526.32	-	R1 694.45	R4 792.38
Grader	BXK 149 NC	48 hrs	R3 537.00	R300.00	- hrs	R6 206.30	R395.79	49 hrs	R4 549.70	R5 454.19
Front End Loader	BDC 668 NC	55 hrs	R1 163.20	R0.00	61 hrs	R4 128.50	R2 375.97	77 hrs	R11 784.50	R0.00
TLB	BSF 214 NC	41 hrs	R1 807.93	R0.00	- hrs	R3 456.05	R350.44	39 hrs	R1 059.50	R9 921.03
1400 Bakkie	BMH 267 NC	-	R0.00	R0.00	-	R0.00	R0.00	-	R0.00	R0.00
Tractor	BJY 297 NC	-	R650.95	R0.00	-	R0.00	R2 892.92	-	R982.99	R252.19
Water Truck	BSF 218 NC	-	R0.00	R0.00	209	R0.00	R1 838.51	-	R1 848.95	R1 624.87
Nissan 1400	BSF 226 NC	-	R1 131.80	R0.00	-	R766.85	R0.00	-	R804.40	R1 847.35
Toyota Bakkie	BDC 659 NC	-	R1 464.75	R0.00	-	R2 183.61	R2 910.06	-	R2 202.30	R1 784.70

Construction unit uses most of the funds on maintenance and operation in the technical department. Running costs are as follows during July 2011 to June 2012; R417 224 on running costs and R272 636 on maintenance. Gaps on running costs also show some lack of consistency in capturing expenditure per vehicle. On average the running costs per month is around R34 767.

3.1.1.15 BUILDING CONTROL

3.1.1.15.1 Service delivery KPI's for Building Control Section

Strategic Objectives	KPI's	Baseline Information	Target	Achieved
To improve and provide basic services of good quality to the residents	To maintain and upgrade municipal social infrastructure and municipal buildings	Scrutinizing building plan application for conformity to all legislation	100% of all submitted building plans	32 plans approved. Revenue generated R17 961 during the financial year
		Rendering inspections on RDP houses built	All RDP houses in the municipality	52 house in Noupoort, and some houses on the Ouboks project. Status quo remains
		Manage and administer site allocation and surveying process	All sites identified	None
		Ensure the appointment of OHS officers on all projects	1	Health and Safety Officer on the 10 LLC and Phase 1B
		Buildings maintained/repaired during 2011/12 financial year	All municipal buildings	Municipal offices: Colesberg lady's bathrooms and Lowryville hall.
		Identification and stopping of illegal building actions	All building sites in the municipality	8 Bendlela road, Kuyasa; 28 Church Street and erf 1267 Church street

3.1.1.15.2 Building plans approved during July 2011 to June 2012

NAME	ERF	ADDRESS	APPROVED FOR	AMOUNT
Mr. Thomas Alfred Hynne	1552	43 Merle Street	Extension	R303-32
REUTECH SOLUTIONS	302	NOUPOORT	Communication mast	R135-00
REUTECH SOLUTIONS	681	COLESBERG	Communication mast	R135-00
D.J. LOUW	1788	1 Merina	Extension	R191-78
Honey locust investments	2034		Extension	R101-46

NAME	ERF	ADDRESS	APPROVED FOR	AMOUNT
Honey locust investments	2034		Swimming pool	R97-56
Midnight storm TA the place	551-554		Extension	R3109-62
Miss Z.J. Bomela	335	42 Bendlela street	New House	R839-06
Mr. J. Plaatjies	1548	51 merle street	Extension	R488-44
Mrs. J.J. Du Plessis	137	1 President Kruger	Extension	R674-18
Mr. Brian Kenmluir	1159	1 The lighthouse	Garage	R387-48
Torbiouse solutions	Portion 4	69 Buffelsvalley	Communication mast	R525-00
E.S. Barnard	2158	10 Suiterweg	Extension	R362-50
Marie du Preez	2167	CHURCH STR.	Constr. Of storage	R2191.89
Pinkster Protestante kerk	960	1 Desiree str.	Palisade fence	R119.68
Mr. L. Thiso	213	2 Pasha str	New house	R465.34
Pinkster Protestante kerk	960	1 Desiree str.	New Toilet block	R88.22
Ntombomzi S. Silingile	812	3 Joka Street	Extension	R213.61
C. Douglas	1468	15 Elaine Street	Extension	R375.18
Phumla Michaels	1945	17 Affordaile Street	Extension	R296.67
Mr. A. Vister	2071	15 Desiree street	Constr. Out building	R153.23
Mrs. X.J. Mxhamli	585	Selai Crescent Street	New House	R681.65
Deonita Schoeman	1648	29 Adelaide Street	Extension	R294.54
Jonathan Bergen	1133	56 Linda Street	New House	R758.39
Z.J. Bomela	335	42 Bomela Street	New House	R839.06
Mrs. m.e.c.n. Tiger	1614	74 Adelaide Str.	Extension	R306-98
M.Mgqantsane	1895	18 Nozunga Str.	New House	R821-09
Tunki Sindelo	1893	5 Lingani Str.	New House	R715-39
Nombulelo F. Mlenzana	1796	9 Lelie Str.	New House	R537-98
W.J.Piek Gas n Sport	828	10 Station Str.	Extension	R731-34

NAME	ERF	ADDRESS	APPROVED FOR	AMOUNT
Torbiouse Solutions cc	681	Colesberg	Communication mast	R379-52
Torbiouse Solutions cc	Farm 152	Hanover Rd	Communication mast	R640-00

3.1.16 PROGRAMMES AND PROJECTS

3.1.16.1 MIG funded projects

PROJECT	VALUE	EXPENDITURE	BALANCE
MIG 157: Supply line: 80 m	R1,001,360,00 Approved VO R88 000.00	R 1,043,892.00	R54,468: Defects Liability Period
MIG 917:Norvalspont Oxidation Ponds	Estimate R13,265,210.31	R 10 612 505.00	R472 395: Defect Liability period. Retention released in July 2011. The project is closed
MIG 142: Colesberg WWTW	R26,151,728.00	R 14,857,354.22	59% expenditure, RBIG = R20,136,831; MIG = R6,014,897
MIG 1032: Colesberg Bulk Water Supply: Phase 1A: Construction of 500 mm diameter pipeline from Orange River to CWTW	R23,402,146.91. 77% of MIG allocation of 2010/11 and 2011/12. R16,591,056.66	R23,402,146.91	Project complete

3.1.16.2 Housing projects currently under way

PROJECT/CONTRACTOR/CONSULTANT	CONSTRUCTION PERIOD/ COST / EXPENDITURE
Construction of houses in new Ouboks	2 yrs, R116 million, R65 million
Construction of 100 houses in Noupoort	8 months; R7.5 million; R3 million

3.1.16.3 Projects funded by sector departments

PROJECT	CONSULTANT	CONTRACTOR	CONSTRUCTION PERIOD	PROJECT COST	EXPENDITURE
Bulk Water Project Phase 1A	Merrimetsi Engineers	Lohan Civils	5 months	R23,402,146.91	R23,402,146.91. Retention released
Bulk Water Project Phase 1B	Merrimetsi Engineers	Entsha Henra	8 months	R29,969,677.74	R29,969,677.74 Defects Liability Period
Bulk Water Project Phase 1B: LLC	Merrimetsi Engineers	10 Local Leaner Contractors	5 months	R11,998,274.96	R7,107,145.50
Phase 2: CWTW	Worley Parsons	Ursa Civil	14 months	Estimate R40m	R323,199.04
CWWTW: Upgrading to sludge digester	Worley Parsons	Ursa Civils	12 months	R15,375,157.52 Civil works, R5,865,530.20 elect & mech works RBIG = R16 million balance with MIG	R14,857,354.22
Electrificatio n of Ouboks: Phase 1	Palace Group	Stanford Electrical cc	5 months	2010/11 R3.317m; 2011/12 R1.17m	R3,994,824.41. Defects Liability Period
Lowryville: Upgrading of Sport complex	KV3	Mofomo Construction	3 months	R916 000	Defect Liability Period. R45 800

3.2 Municipal Transformation and Institutional Development

Strategic Objective	KPI's	Baseline Information	Target	Achieved
To effectively and efficiently manage transformation and institutional development in the municipality	Skills Development and Training	100% Budget spend on training	Job related staff training	NQF 5 LIC
		Draft and submit personal development for S57 and training programme for personnel	One development plan for S57 manager	None. No sec 57 manager except current manager
		Appoint Health and Safety Representative and attend H&S meetings	2	2: Both technician
	Human Resource management	Notify and submit all appointment requests on resignations,	Request or recruitment	One request submitted during the quarter.

Strategic Objective	KPI's	Baseline Information	Target	Achieved
		retirement, etc.		Request for Supervisor construction unit; grader and front end loader operators
		Ensure that all critical post are advertised and filled	All critical vacant posts	Advertised but not filled yet
		Drafting of HR Development plan for department	1	None. Status quo remains
	Employee Wellness programme	Assistance with development of an Employee Wellness Programme with regard to financial, social and spiritual matters	1	None. Status quo remains
		Availing of departmental speakers on funeral on invitation of families of deceased employees	As and when needed	None. Status quo remains
	Labour relations	Institute prompt disciplinary actions against ill disciplined employees	Discipline all bad behaving employees	P Steenbok and J Douw during midterm
		Management of leave records properly	Line manager to be accountable	Progressive
		Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Line manager to be accountable	Progressive
		Attendance of refresher courses on labour relations	All employees	1 at Pixley by SALGA
	Organizational structure	Review of departmental organizational structure	Department organo-gram	Reviewed during first quarter
	Performance management System	Draft and submit the 2010/11 Annual report before August 2011	1	Done
		Draft and submit the 2011/12 Mid-Year report by January 2012	1	Submitted in February
		Compliance with performance agreements	1	Not yet signed
		Cascading of performance KPA's, KPI's and Baseline tasks to lower levels of management - Technicians and Building Inspector	3	Done
		Submission of PMS and SDBIP reports	4	4
		Schedule monthly departmental meetings with agenda and minutes	12	8

Strategic Objective	KPI's	Baseline Information	Target	Achieved
		Ensure that all assets are insured at replacement value.	All assets procured	Achieved
		Review departmental insurance portfolio on annual basis	All the assets in the department	None
		Timeosly reporting of all insurance claims on all assets	All claims	Achieved
		Complying with the awarding of tenders	Comply with tender process	Achieved
		Ensure representation of department on all SCM Committees and implementation of SCM policy in department	Representation on all the committees	Done

3.4.1Projects where municipal contribution is required

PROJECT	TOTAL PROJECT COST	MUNICIPAL CONTRIBUTION (FINANCIAL VIABILITY)
Phase 1A: Construction 8 km from CWTW	R23 402 146.91	R5 382 494
Phase 1B: Construction of 12.51 km, 500 mm diameter ductile iron from Orange River	R35 515 218.01	R8 168 500
Local Learner Contractors (LLC): Construction of 4.5 km, 500 mm diameter uPVC pipeline	R13 738 024.83	R3 159 746
Phase 2: Upgrading of Colesberg Water Treatment Works	R46 973 448.31	R10 803 893
Upgrading of Colesberg Waste Water Treatment Works	R25 255 150.49	R5 808 685

3.5 Good Governance and Public Participation

Strategic Objective	KPI's	Baseline Information	Target	Achieved
To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	Draft quarterly newsletter on technical matters and current issues within the municipality	4	2
		Attend quarterly Council Meets the People meetings	4	3
		Attend budget and IDP consultative meetings	6	1
		Ensure that all projects have a functional steering committee	2	2
		Workshop all newly adopted policies	All newly adopted	None. Status quo

Strategic Objective	KPI's	Baseline Information	Target	Achieved
		and By-Laws with personnel	policies	remains
	Functioning of IGR systems	Attend Local IGR meetings	4	None. Status quo remains
	Management of complaints and community feedback	Ensure registration and handling of service delivery complaints	All complaints brought forth	67 and rest captured customer care official
		Give instant feedback to community members on disruption of services	All planned and unplanned service interruption loud haling or pamphletting	No achieved

CONCLUSION

The following conclusions can be made regarding the report;

- Lack of commitment from some of the employees in the department,
- Variable payment rate by the community hampering service delivery,
- Municipal contribution on the bulk water project might create a financial problem if not handled carefully,
- High Eskom account hampers municipal cash flow,
- VIP toilets starting to fill up,
- Maintaining 100% working conditions on all the borehole,
- Maintenance backlog on existing infrastructure, eg. electrical network, etc
- Workshop personnel unable to keep up with work load.
- Lack of maintenance planning and management of water and sanitation assets, line manager's attention to be constantly redirected,
- Position of assistant electrician in Noupoort to be filled, current arrangement tend to be expensive,
- The workshop cannot keep up with maintenance of old fleet in the municipality, therefore some of the vehicle will be taken to private workshops in town, and
- Construction unit not performing as expected, therefore the supervisor need to be empowered.
- Slow pace in service delivery due to some municipal fleet burnt in May;
- Lack of carrying out lawful instruction by some general workers;
- Challenge in dealing with problematic high mast light;
- Misuse of sewerage system by residents, hence continuous overflows, user education required; and
- Vandalism of water infrastructure in Noupoort and Norvalspont.

CHAPTER 4

PERFORMANCE MANAGEMENT REPORT

DRAFT

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
BASIC SERVICE DELIVERY														
To improve and provide basic serivces of good quality to the residents	To improve water quality and continuity of water services to residents	BSD1.1	Provision of sustainable water to residents	Quarterly reports to Council	Challenges in sustainable provision during Oct, Nov, Dec, Jan due to high demand	5	4	4	3	4	5	4	4.2	
		BSD1.2	Number of blue drops achieved	Quarterly reports to Council and DWA	Assessment was conducted on Thursday, 29 February 2012. Score dropped to 15% Results uploading problem	5	2	3	3	4	3	3	3.4	
		BSD1.3	To ensure proper management of Bulk Water Supply project	Quarterly reports to Council, spending reporting and meeting	Phase 1B: Construction of 12.51 km of 500 mm diameter ductile iron R29,567,789, completed in May 2012. Phase 1B: LLC should've been completed by 20/06/2012. Progress at R9 million	5	4	3	3	4	5	3.8	4.04	
		BSD1.4	To ensure proper management of water provision agreements- Bloem Water, du tiot and Raad.	Quarterly reports to Council AND SIGNED AGREEMENTS/ CONTRACTS	Bloemwater Contract still hanging, second copy delivered at their offices in Nov 2011. Hank du toit and Raad contracts need to be reviewed	5	4	4	3	4	5	4	4.2	
		BSD1.5	Report on the percentage of households with access to basic level of water	Quarterly reports to Council	98,6% access to water achieved. The following connections were made during the first half, 3 water connections done. 1 Old Loc, 1 Ext 4 & 1 Bongweni	5	4	4	3	4	5	4	4.2	
		BSD1.6	Replace network valves: Colesberg - 10; Noupoort - need to do investigation.	Quarterly reports to Council	Flanged valves procured. Flanged adaptors still needed. Maintenance budget exceeded due to purchase water meters at New Ouboks.	5	4	3	3	4	5	3.8	4.04	
		BSD1.7	Develop long term bulk infrastructure investment plan	Quarterly reports to Council	The municipality has CIP reviewed every year. Electronic copy available	5	5	4	3	4	5	4.2	4.36	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD1.8	Number of water leaks detected/reported and repaired	Quarterly reports to Council	13 leaks detected, only 12 repaired. No attempt made to repair the leaks during second quarter. Water demand too high in Colesberg	5	3	3	3	4	5	3.6	3.88	
		BSD1.9	Number of water samples taken	Monthly reports of EHP	108 samples taken during the year. (9 samples per months)	5	4	4	3	4	5	4	4.2	
		BSD1.10	Report on number of hours Orange River and Borehole BWSupply Lines are down due to leaks	Quarterly reports to Council	Orange River abstruction point; (ORNO289-88 twice, 426-4-7 three times, 426-6) Boreholes system: (CCF5-26-2-3, CCF5-33T-3)	5	4	4	3	4	5	4	4.2	
		BSD1.11	Report on the number of hours the Borehole system is down	Quarterly reports to Council	10/12/2012, 6 hrs. Fault on transformer CCF5-26-2-3	5	3	3	3	3	5	3.4	3.72	
		BSD1.12	Report on the number of hours each borehole is down	Quarterly reports to Council	Only two boreholes not working. Each borehole is been standing for 8 760 hrs (#75 and Ou Vlei)	5	3	3	3	4	5	3.6	3.88	
		BSD1.13	Report on the number of hours pumpstation duty and standby pumps are down:	Quarterly reports to Council. Inccident register	12/07/11 and 21/08/11 for 10 hrs planned maintenance, 6 hrs unplanned on 04/08/11; 29/11/11, 06/12/11, 10/12/11 and 29/12/11; 12/02/12 10 hrs planned.10/06/12 10 hrs planned. 20/06/12 8 hrs planned.	5	3	3	3	4	5	3.6	3.88	
		BSD1.14	Report on amount of funds spend on maintenace in accordance with allocated budget	Quarterly reports to Council. V520 report	R526,078 spent during the year. Budget = R325,717. More than 62% spent over the budget	5	5	2	3	5	5	4	4.2	
		BSD1.15	100% Compliance with SANS 241 for E.coli	Quarterly reports to Council and MHS	77% compliance. Failures in Norvalspont. Only 47% complying during 2nd quarter. 27 samples in Jan to Mar, only 9 complied (33%). Apr to June all samples complied	5	3	3	3	4	5	3.6	3.88	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD1.16	Equip WTW laboratory to carry out chemical tests on water	Quarterly reports to Council and DWA	Not achieved	5	3	2	3	1	5	2.8	3.24	
		BSD1.17	To ensure effective and efficient operation of CWTW & NWTW	Monthly reports	Proper paper trail to be kept. Paper trail still a challenge during second quarter of midterm, using general workers as wtw operators	5	3	3	3	3	5	3.4	3.72	
		BSD1.18	Implementation WSCDBP	Quarterly reports to Council	WSCDBP implemented through various strategies in the performance agreement	5	3	4	3	4	5	3.8	4.04	
		BSD1.19	Report on monthly water audit on Bulk Supply lines: Tolhuis to WTW to reservoir; Van Der Waltsfontein to reservoir	Quarterly reports to Council	CWTW and VDW = 2,970,546 kl NPT = 538,790 kl NVPT = 148,547 kl	5	4	4	3	4	5	4	4.2	
		BSD1.20	Report on percentage reticulation losses and implementation of remedial actions to reduce losses by 5%	Quarterly reports to Council	Water audit needed to determine water losses. No info on billed water consumption: Financial system is not capable to provide info	5	2	2	3	3	5	3	3.4	
		BSD1.21	Installation of water meters in two communal taps in formal areas	Quarterly reports to Council	One installed on the Phillipstown informal area	5	3	4	3	3	5	3.6	3.88	
		BSD1.22	Installation of communal taps and meters in areas without yard connections	Quarterly reports to Council	All households have yard connection	5	5	4	3	5	5	4.4	4.52	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Comm unity memb er	Extern al Mayor	PAC Membe r	Consolidat ed Score		
		BSD1.23	Attending to unreaderble meter, covered meters and broken meters.	Quarterly reports to Council	832 attended to based on meter readers report from credit control section, 20 new water meters	5	3	4	3	5	5	4	4.2	
	Comply with the standard set in the Green Drop System and continues provision of sanitation services.	BSD2.1	100 % green drops achieved	Quarterly reports	2011/12 assessment on 29 Feb 2012, less than 10% achieved in all three WWTWs	5	2	2	3	5	3	3	3.4	
		BSD2.2	Empty 43 buckets twice a week	Quarterly reports	Achieved. Team work three hours every Monday and Thursday	5	5	4	3	5	5	4.4	4.52	
		BSD2.3	Emptying 110 septic tanks once a month	Quarterly reports	One tanker burnt, only one working with a side shaft problem	5	3	4	3	3	5	3.6	3.88	
		BSD2.4	Emptying 795 VIP toilets once a year	Quarterly reports	In essence to be emptied every five year interval. Emptied in December 2010. No budget for ones already full.	5	2	3	3	3	5	3.2	3.56	
		BSD2.5	Number of sewerage spills/blockages detected/reported and repaired	Quarterly reports to Council	548 blockages reported and attended to.	5	5	4	3	5	5	4.4	4.52	
	Infrastructural Development	BSD3.1	To ensure that santation backlogs is 1.6%	Quarterly reports to Council	Sanitation backlogs eradicated in formal areas	5	5	4	3	5	5	4.4	4.52	
		BSD3.2	Report on 98.4% of households with access to basic level of sanitation	Quarterly reports to Council	All households with access to sanitation serviced on monthly basis including farmers	5	4	4	3	5	5	4.2	4.36	
		BSD3.3	Sourcing of funds for upgrading of Colesberg WWTW	Quarterly reports to Council	Funding sourced from DWA RBIG with the municipality contributing 23% and the balance by sector department. R25 million, (R19.25m DWA and R5.75m Umsobomvu)	5	5	4	3	5	5	4.4	4.52	
		BSD3.4	Update the CIP.	Quarterly reports to Council	CIP reviewed yearly. Achieved	5	5	4	3	5	5	4.4	4.52	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD3.5	Register the report on alternative sanitation system which is 444 VIP's with MIG	Quarterly reports to Council	Technical report compiled, MIG1 form completed	5	4	4	3	5	5	4.2	4.36	
		BSD3.6	Empty full VIP's in areas not serviced by Ouboks ISUP	Quarterly reports to Council	BSD2.4 above deals with emptying of VIP not serviced by Oubok ISUP	5	3	3	4	4	5	3.8	4.04	
		BSD3.7	Mobilise funds for Norvalspont sewerage network	Quarterly reports to Council	Technical report compiled and MIG1 form submitted to MIG office. Not approved	5	1	3	4	4	5	3.4	3.72	
	Project Management	BSD4.1	Construction of Waste water treatment works	Monthly & Quarterly reports to Council	Construction commenced in July 2011. To be completed in June 2012, behind schedule	5	3	3	4	5	5	4	4.2	
		BSD4.2	Construction Water treatment works	Monthly & Quarterly reports to Council	Tender out in December for construction. Construction commenced in May 2012. Estimated completion in October 2013.	5	5	3	4	4	5	4.2	4.36	
		BSD4.3	Electrification of Oubox	Monthly & Quarterly reports to Council	Phase 1B of the electrification completed in December 2011. Valued at R1.17m. Only 60 house connections achieved. Phase 2 on tender	5	5	3	4	4	5	4.2	4.36	
		BSD4.4	Installation of solar waters geyser	Monthly & Quarterly reports to Council	Funds only transferred in December. Tender for installers and PMOs already out for advert in July 2012.	5	5	3	5	3	5	4.2	4.36	
		BSD4.5	Building 100 houses in Nouport	Monthly & Quarterly reports to Council	51 houses are complete. Construction slow due to poor planning by the contractor. Responsibility is with the department currently to finish the project	5	5	3	5	3	5	4.2	4.36	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD4.6	Paving 3km of gravel road	Monthly & Quarterly reports to Council	Not achieved. No compactor available in the municipality. Advert out for machienery	5	4	3	5	1	5	3.6	3.88	
		BSD4.7	Submission of compliant reports on all projects expenditure implemented by municipality	MIG Provincial office and DWA	Phase 1A: 8 km of 500mm diameter uPVC pipe, R24,402,142.91. Phase 1B: 12,51 km of 500mm diameter ductile iron R29,060,241.52. Phase 1B LLC: R9,987,370.50 spent	5	5	4	5	4	5	4.6	4.68	
	Ensure the condition of the roads are in an acceptable standard	BSD5.1	Blading of 120 km of gravel roads	Quarterly report to Council	Colesberg = 62 km Noupoort = 2 km and Norvalspont = 1.2 km	5	2	4	5	4	5	4	4.2	
		BSD5.2	Re-gravelled of 20 km roads	Quarterly report to Council	Colesberg = 5 km Noupoort = 5 km and Norvalspont = 2.2 km	5	3	4	5	4	5	4.2	4.36	
		BSD5.3	Maintenace and repair of storm water systems	Quarterly report to Council	763 m of storm water cleaned, 20 m in Dry location and 20 m in Matanzima str	5	4	3	5	3	5	4	4.2	
		BSD5.4	Upgrading gravel roads to surface of paved	Quarterly report to Council	None in the current financial year.	5	1	2	3	1	5	2.4	2.92	
		BSD5.5	Repairing of potholes	Quarterly report to Council	All surface street with potholes were attended to during the financial year.	5	5	5	5	5	5	5	5	
		BSD5.6	Blading of sportsfields	Quarterly report to Council	2 in Noupoort bladed	5	3	5	5	4	5	4.4	4.52	
	To improve elecrical infrastructure and related services in the municipality	BSD6.1	Connection of 50 houses in Oubox (R 1,175M)	Quarterly report to Council	Achieved	5	5	5	4	5	5	4.8	4.84	
		BSD6.2	Compile a report on upgrading of Noupoort MV network from 6.6 KV to 11KV	Quarterly report to Council	Not achieved	5	1	2	4	2	3	2.4	2.92	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD6.3	Compile long term bulk infrastructure investment plan	Quarterly report to Council	CIP exists in the municipality. Needs to be reviewed on yearly basis	5	3	3	5	4	5	4	4.2	
		BSD6.4	Drafting and submission of Alternative Energy Source policy	Quarterly report to Council	No achieved	5	1	1	3	1	3	1.8	2.44	
		BSD6.5	Report on the number of hours the electrical MV and LV distribution network is down	Quarterly report to Council	12/07/11 and 21/08/11 for 10 hrs planned maintenance, 6 hrs unplanned on 04/08/11; 29/11/11, 06/12/11, 10/12/11 and 29/12/11; 12/02/12 10 hrs planned.10/06/12 10 hrs planned. 20/06/12 8 hrs planned.	5	3	3	4	4	5	3.8	4.04	
		BSD6.6	Report on the number of transformers and substation serviced	Quarterly report to Council	No achieved	5	2	2	3	1	5	2.6	3.08	
		BSD6.7	Maintenance of control gear at boreholes and pumpstations	Quarterly report to Council	Not achieved	5	2	2	3	1	5	2.6	3.08	
		BSD6.8	Maintenance of street and public lighting	Quarterly report to Council	4 high mast light: Kuyasa and 17 street lights. 3 high mast light in Kuyasa before during November and 2 in Noupoort	5	4	4	4	5	5	4.4	4.52	
		BSD6.9	Funds spend on maintenace in accordance with allocated budget	Quarterly report to Council	Budget R479 692. R507 151 spent. 6% over expenditure at year end	5	5	2	4	5	4	4	4.2	
		BSD6.10	Provision of electrical services and submission of M/Report	Quarterly report to Council	2 182 HH supplied by the municipality plus 360 added in New Ouboks in 2011/12 financial year	5	4	4	4	4	5	4.2	4.36	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD6.11	Identification of small and large consumers to be transferred to appropriate demand meters	Submission of report	None. Electronic info available from Abakus system. Therefore could not be verified	5	3	3	3	4	5	3.6	3.88	
		BSD6.12	Development of business plan for changing of high mast lights with ordinary street lights (Only problematic high mast to be operation)	Submission of report	Not achieved. No capacity in the municipality	5	2	2	4	1	5	2.8	3.24	
	To maintain and upgrade municipal social infrastructure and municipal buildings	BSD7.1	Scrutining building plan application for conforment to all legislation	Quarterly report to Council	32 plans approved. Revenue generated R17,961 during the year	5	5	4	4	5	5	4.6	4.68	
		BSD7.2	Rendering inspections on all buildings	Quarterly report to Council	52 houses in Noupoort, and some 690 houses on the Ouboks project under construction. Status quo remains	5	3	4	4	4	5	4	4.2	
		BSD7.3	Manage and administer site allocation and surveying process	Quarterly report to Council	None. No new sites were survayed this financial year	5	2	3	4	2	5	3.2	3.56	
		BSD7.4	Ensure the appointment of OHS officers on all projects	Quarterly report to Council	Health and Safety Officer on the 10 LLC, Phase 1B and WTW project (Tandana)	5	2	4	4	4	5	3.8	4.04	
		BSD7.5	Maintenance of all municipal buildings	Quarterly report to Council	Municipal offices: Colesberg lady's bathrooms and Lowryville hall.	5	3	4	4	3	5	3.8	4.04	
		BSD7.6	Identification and stopping of illegal building actions	Quarterly report to Council	8 Bendlela road, Kuyasa; 28 Church Street during the midterm	5	2	4	4	5	5	4	4.2	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
To improve and provide quality and basic service to the residents	To improve water quality to residents	BSD1.1	Number of water samples taken	100%	A total of 156 samples already taken for the year 2011-2012	5	2	4	4	4	5	3.8	4.04	
	To provide Town Planning and Township Development	BSD2.1	Monitoring of Ouboks implementation project	100%	Four meetings attended during 2011-2012	5	2	4	4	5	5	4	4.2	
		BSD2.2	Draft and submit development plan for new cemetaries in Colesberg and Noupoort	100%	New sites identified: Colesberg: -Town - new cemetery in place; Kuyasa , Noupoort: Eurekaville and Kwazamuxolo.	5	5	4	4	5	5	4.6	4.68	
	To improve refuse removal services and continuity of services to residents	BSD3.1	Drafting of services delivery plan and communicate to residents to promptly inform them when services cannot be rendered	100%	Service Delivery Plan in place for 2011/2012 Complaint book in place Loudhailers installed in two LVD's to communicate with the communities when services could not be rendered.	5	2	4	4	5	5	4	4.2	
		BSD3.2	Manage and administer waste disposal sites in Colesberg, Noupoort and Norvalspont	100%	Waste Management Plan in place. Maintenance was done during March 2012 on Colesberg site. Application for MIG funds were handed in to recover and upgrade Norvalspont Landfill site.	5	2	4	5	4	5	4	4.2	
	Housing Development and Housing Services	BSD4.1	Ensure funding for the building of 104 houses in Norvalspont	100%	Business Plan completed and hand in to COCHSTA on the 4th of October 2011 for funding.	5	4	4	5	5	5	4.6	4.68	
		BSD4.2	Facilitate handing over of newly built houses in Ouboks project	100%	700 Houses already handed over to beneficiaries out of the ISUP Ouboks approved list on phase 1 - 5.	5	4	4	5	5	5	4.6	4.68	
		BSD4.3	Facilitate surveying of Council owned 106 in Norvalspont	100%	This project is fully completed. The General Plan is completed and a Conveyancer is appointed to open a Town Register	5	5	4	5	5	5	4.8	4.84	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD4.4	Ensure funding for the development of 600 erven for housing in Colesberg	100%	Business Plan completed and hand in to COCHSTA on the 4th of October 2011 for funding.	5	4	4	5	5	5	4.6	4.68	
		BSD4.5	Compile a Housing Register for municipality	100%	Housing register in place.	5	5	4	5	5	5	4.8	4.84	
		BSD4.6	Report to Council and Finance on the number of service applications for new houses to create debtor accounts	100%	A list with a total of 700 names was handed over to the CFO. Quarterly report to Council	5	5	4	5	5	5	4.8	4.84	
		BSD4.7	Report to Council and Finance on the number of ownership changes from municipality to private individuals to create rates accounts	100%	A list with a total of 290 private transfers in Towervallei , Lowryville, Noupoort and Norvalspont was handed over to the CFO. Report to Council.	5	4	4	5	5	5	4.6	4.68	
	To focus on the improvement of delivery of core powers and functions of local government	BSD5.1	% establishment of fire safety by-law framework	100%	This plan is in place.	5	3	4	5	5	5	4.4	4.52	
		BSD5.2	Number of sport facilities monitored on a regular basis	100%	Umsobomvu Sport Facility was monitored 61 times . Norvalspont Sport Complex was monitored 39 times . Lowryville Sport Complex was monitored 51 times	5	2	4	5	4	5	4	4.2	
	Management of commonage, parks, gardens and open spaces	BSD6.1	Manage and administer existing grave sites	100%	Registers are put in place in all the towns for each graveyard. The gravesites are fully managed and administered by this department. Numbers are given to people who bought sites. Approval of reports of Middle Management..	5	3	4	5	4	5	4.2	4.36	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD6.2	Ensure that only municipal officials allocates graves sites and be available on every Thursday to show grave sites	100%	The Middle-Management Officer is fully responsible to allocate gravesites. The officials of this section must be available every day to show gravesites and monitor it according to the payment records.	5	5	4	5	5	5	4.8	4.84	
		BSD6.3	Engage owners of sites in Noupoort where rubble has been dumped with a view to ensure removal of rubble (Old Hotel)	100%	Letter was handed over to the attorneys (Schutz & de Jager) to take legal action against Mr. Benedito. The legal action has been started and is in process now. Awaits feedback from the attorneys.	5	1	4	5	5	5	4	4.2	
		BSD6.4	Maintenance and administration of gardens,parks and open spaces	100%	The parks, gardens and open spaces are cleaned on a regular basis as stated in the quarterly reports of that section.	5	2	3	5	5	5	4	4.2	
		BSD6.5	Update register of informal areas and number of households	100%	Registers in in place. List of names of Ou Boks, Wimpy-, Operation Vula-, Masiphakame-, and Philipstown Squatter Camps. Proof of new lists updated during February 2012	5	4	4	5	5	5	4.6	4.68	
		BSD6.6	Maintenance and administration of commonage land	100%	Commonage register in place. Contracts of Emerging Farmers signed and in place. Maintenance was done on a few windmills and fencing.	5	4	4	5	4	5	4.4	4.52	
	Disaster management	BSD7.1	Review of disaster sector plan	100%	This Sector Plan is completed and In process of rewriting in English.	5	5	5	5	4	5	4.8	4.84	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		BSD7.2	Ensure establishment of a disaster satelite office	100%	A letter was written to PKDM to establish a DS Office. Awaiting response from PKDM. Response were received from the PKDM stated that they will communicate future development with the Municipality. A follow-up letter was written to PKDM to avail their Municipal Manager to start with negotiations. Awaits feedback.	5	4	4	5	3	5	4.2	4.36	4.154545
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
To effectively and effieciently manage transformation and institutional	Skills Development and Training	MTID1.1	100% expenditure spend on training budget	Quarterly report to Council	Budget controlled in finance, both technicians attended NQF 5 in LIC organised by LGSETA at the DM, De Aar	5	4	4	4	3	5	4	4.2	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
development in the municipality		MTID1.2	Full percentage of claimable funds to be claimed from LGSETA	Quarterly report to Council	Handled in Corporate Service Department	5	2	3	4	3	5	3.4	3.72	
		MTID1.3	Annual submission of WSP and implementation report	Proof of submission to LGSETA	Handled in Corporate Service Department	5	2	3	4	3	5	3.4	3.72	
		MTID1.5	Submission of WSP monthly report	Proof of submission to LGSETA	Handled in Corporate Service Department	5	2	3	4	3	5	3.4	3.72	
		MTID1.6	Draft and submit personal development for S57 and training programme for personnel	Apprroval by Council	Not archieved	5	2	2	3	2	1	2	2.6	
	Legislative interface	MTID4.1	4 Attend Portfolio, 4 Council and 4 Special Council meetings	Proof of council meetings	2 potfolio and 2 ordinaryl and 1 special council meetings attended	5	3	2	3	5	4	3.4	3.72	
		MTID4.2	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental isues	Proof of meetings	Not archieved	5	2	2	3	2	1	2	2.6	
		MTID4.3	Quarterly report to Council on execution of Council resolutions	Quarterly report to Council	2 quarterly reports submitted and 1 midterm reports. Last quarterly report outstanding	5	4	3	3	4	3	3.4	3.72	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
	Performance management System	MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	Quarterly report to Council	Achieved	5	5	4	3	5	5	4.4	4.52	
		MTID5.2	Submission of SDBIP and PMS Reports	Quarterly report to Council	Achieved	5	5	4	3	5	5	4.4	4.52	
		MTID5.3	Submission of PMS and SDBIP reports	Proof of submitted Quarterly report to Council	Achieved	5	5	4	3	5	5	4.4	4.52	
		MTID5.4	Attending CFO forums of Prov. Treasury	Quarterly report to Council	None	5	3	3	3	2	5	3.2	3.56	
		MTID5.5	Quarterly report to Council on the submission of Financial reports	Quarterly report to Council	Achieved. V520 report	5	2	4	3	4	5	3.6	3.88	
	Development of By-Laws, policies procedures, delegation of powers and strategies	MTID6.1	Develop and or review By-Laws, policies, procedures, delegation of powers and stategies and delegate powers to sub-ordinates	Quarterly report to Council	As and when needed. Delegation of powers achieved	5	5	4	3	5	5	4.4	4.52	
	Employee Wellness programme	MTID7.1	Availing of departmental speakers on funeral on invitation of families of deceased employees	Quarterly report to Council	As and when needed	5	4	3	4	3	5	3.8	4.04	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	Labour relations	MTID8.1	Facilitate promt disciplinary actions against ill disciplined employees	Quarterly report to Council	Three submitted on time	5	2	4	4	4	5	3.8	4.04	
		MTID8.2	Proper management of leave	Quarterly report to Council	Leave forms submitted regularly	5	5	4	4	5	5	4.6	4.68	
		MTID8.3	Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Report to Council	Manual attendance and electronic register submitted to HR office	5	3	4	4	4	5	4	4.2	
	Organizational structure	MTID9.1	Review of departmental organizational structure in line with departmental goal	Proof of approval	Organogram exist and was revised	5	5	4	4	4	5	4.4	4.52	
	Employment Equity	MTID10.1	Advice on Employment Equity implementation on recruitment process	Attendance of interviews	Not achieved. Department still male dominant and race also not equally represented	5	3	2	4	2	5	3.2	3.56	
	Fleet management	MTID11.1	Management and reporting of use of departmental vehicles: Running cost and maintenance	Quarterly report to Council	Controls in place. Log books are filled and trip authority signed.	5	4	4	4	5	5	4.4	4.52	
		MTID11.2	Accident report on damaged vehicles and repair of damage	Quarterly report to Council	Report on BSF 215 NC	5	4	4	4	5	5	4.4	4.52	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		MTID7.1	Availing of departmental speakers on funeral on invitation of families of deceased employees	100%	No requests were received since July 2011 up to June 2012. Report to Council.	5	3	3	4	5	5	4	4.2	
		MTID8.1	Facilitate promt disciplinary actions against ill disciplined employees	100%	Disciplinary investigation taken against two (2) employees	5	3	4	4	5	5	4.2	4.36	
		MTID8.2	Proper management of leave	100%	All leave forms are signed finally by the MCD Monthly leave data received from the CFO to manage leave taken by the department's employees	5	4	4	4	5	5	4.4	4.52	
		MTID8.3	Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	100%	Attendance registers are handed to the MCD every month end to be signed and handed over to the Finance Department	5	5	4	3	5	5	4.4	4.52	
		MTID9.1	Review of departmental organizational structure in line with departmental goal	100%	This departmental Organisational Structure has been reviewed for the 2011/2012 financial year	5	5	4	3	5	5	4.4	4.52	
		MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	100%	Performance Agreement Plans and PMS Project Plan signed by Middle Management and in place	5	5	4	3	5	5	4.4	4.52	
		MTID5.2	Submission of SDBIP and PMS Reports	100%	PMS Reports completed and handed over to the Municipal Manager on a quarterly basis for Council meetings	5	4	[	3	5	5	4.25	4.4	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Comm unity memb er	Extern al Mayor	PAC Membe r	Consolidat ed Score		
		MTID4.1	Attend Portfolio, Council and Special Council meetings	100%	2 Portfolio Committee Meeting attended 5 Council Meetings attended 6 Special Council Meeting attended 4 Council Meets the People meetings attended	5	4	4	3	5	5	4.2	4.36	
		MTID4.2	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental isues	100%	2 Portfolio Committee Meeting attended on 3 November 2011 and 17 May 2012	5	3	4	3	5	5	4	4.2	
		MTID4.3	Quarterly report to Council on execution of Council resolutions	100%	Attached to report (4) reports) to Council	5	4	4	3	5	5	4.2	4.36	
		MTID6,1	Develop and or review By-Laws, policies, procedures	100%	Discussed with the Housing and Services Officer for implementation	5	3	4	3	5	5	4	4.2	
		MTID6,2	Review Delegation of powers and delegated to sub-ordinates	100%	The Middle Management signed for their Delegation of Powers: Messrs. Chenge; Thibane during October 2011	5	4	4	3	5	5	4.2	4.36	
		MTID10.1	Advice on Employment Equity implementation on recruitment process	100%	Attendance register of interviews on the 16th of February 2011December 2010	5	4	4	3	5	5	4.2	4.36	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
		MTID11.1	Management and reporting of use of departmental vehicles: Running cost and maintenance	100%	Attached to report (4 reports) to Council	5	5	5	4	5	5	4.8	4.84	
		MTID11.2	Accident report on damaged vehicles and repair of damage	100%	No accidents from 1 July 2011 - 15 Decemeber 2011 Claim forms completed for damage on BSF234NC and the Refuse Truck BDC672NC during riots.	5	5	5	4	5	5	4.8	4.84	
		MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	Quarterly report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL	5	4	4	4	5	5	4.4	4.52	
		MTID5.2	Submission of SDBIP and PMS Reports	Quarterly report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	4	4	4	5	5	4.4	4.52	
		MTID5.3	Attending CFO forums of Prov. Treasury	Quarterly report to Council	TWO MEETINGS WERE HELD AND ATTENDED	5	4	4	4	4	5	4.2	4.36	
		MTID5.4	Quarterly report to Council on the submission of Financial reports	Quarterly report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	4	4	4	5	5	4.4	4.52	
		MTID5.5	Cascading of the performance management system to all departmental empoyees		CASCADING DOWN TO MIDDLE MANAGEMENT	5	4	4	4	5	5	4.4	4.52	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Comm unity memb er	Extern al Mayor	PAC Membe r	Consolidat ed Score		
		MTID3.7	Ensure that all departmental resignations, dismissals, retirements and absconments are reported to HR and instruction is given activate recruitment processes		No resignations only pending disciplinary cases	5	5	4	4	5	5	4.6	4.68	
		MTID3.8	Holding of 6 general staff meeting to enhance performance		2 MEETINGS (1 In Noupoort and 1 in Colesberg)	5	2	2	4	3	3	2.8	3.24	
		MTID3.9	Holding of 12 middle management meetings to enhance performance		HELD 13 MEETINGS which include the audit steering committee meetings.	5	5	5	4	5	5	4.8	4.84	
		MTID3.10	Facilitate the establishment of the Departmental Recognition Committee and proper functionality		MIDDLE MANAGEMENT PERFORM THIS FUNCTION	5	5	25	4	3	5	8.4	7.72	
		MTID3.11	Attend Portfolio, Council and Special Council meetings	Proof of council meetings	Attended all meetings when not commited by other SALGA/National Treasury/ Auditor General	5	5	5	4	5	5	4.8	4.84	
		MTID3.12	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental isues	Proof of meetings	Done Regularly	5	5	5	4	5	5	4.8	4.84	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		MTID3.13	Quarterly report to Council on execution of Council resolutions	Quarterly report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	4	5	5	4.8	4.84	
		MTID6.1	Develop and or review of all Financial Related By-Laws, policies, procedures, delegation of powers and stategies and delegate powers to sub-ordinates	ANNUALLY report to Council	DONE ANNUALLY WITH THE BUDGET PROCESS	5	5	5	4	5	5	4.8	4.84	
To effectively and efficiently manage transformation and institutional development in the municipality	Skills Development and Training		100% expenditure spend on training budget	Quarterly report to Council	Anticipated levy claimable amounts to R 111746.21. Contributions from owns funds mounts to 223492.42. The total to be spent on training amounts to R335236.63. A total of R354713.86 was spent on training.	5	4	3	4	4	5	4	4.2	
			Full percentage of claimable funds to be claimed from SETA	Quarterly report to Council	Full claimable funds depend on the submission of monthly and annual reports. No funds were received from the SETA.	5	4	5	4	3	5	4.2	4.36	
			Annual submission of WSP implementation report	Proof of submission to LGSETA	Skills Development Plan for the 2011/12 financial year was submitted on 30 June 20122. The 2010/11 Annual report on Skills Development Implementation and Planning was submitted on 30 June 2012.	5	4	4	4	4	5	4.2	4.36	
			Annual submission of WSP for next financial year	Proof of submission to LGSETA	The Skills Development Plan was submitted on time, thus full percentage of funds is claimable.	5	5	4	4	4	5	4.4	4.52	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
			Submission of WSP monthly report	Proof of submission to LGSETA	No monthly reports on the Skills Development Implementation Plan were submitted due to the non-availability of templates and the lack of training. Numerous requests were made to the SETA to provide training for the Skills Development facilitator, to no avail. The matter has been taken up with the SETA, Department of Coghsta and SALGA.	5	4	2	4	3	5	3.6	3.88	
			Quarterly report to Council on execution of archive procedures and processes	Quarterly report to Council	The Archive Section of the department has been re-staffed following the transfer of existing personnel due to problems encountered. The newly transferred personnel have been subjected to various training courses to equip them with the required levels of training and skills. The training was provided by the Department of Sport arts and Culture.	5	4	3	4	3	5	3.8	4.04	
			Draft and submit an Occupational Health and Safety plan for municipality	Quarterly report to Council	A Health and Safety Plan was not drafted.	5	2	2	4	2	5	3	3.4	
			Schedule Health and Safety meetings with agenda and minutes	Quarterly report to Council	One Health and Safety Committee meeting is planned per month. Two meetings were held during the oversight period. Meetings were scheduled but due to non- commitment of Health and Safety Representatives, quorums could not be attained. Agendas, attendance registers and minutes of meetings, if any, are filed for future reference.	5	2	4	4	3	5	3.6	3.88	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
			Appoint Health and Safety Representative and attend HOS meetings	Quarterly report to Council	Occupational Health and Safety Representatives are appointed for the following departments: Technical Services, Corporate Services and Finance. Organised labour is represented on the Health and Safety Committee.	5	4	4	4	3	5	4	4.2	
			Conduct and submit a quarterly Occupational Health and Safety audit for all workplaces	Quarterly report to Council	Occupational Health and Safety audits have been done in the 1st, 3rd and 4th quarters of the overview period.	5	4	4	4	4	5	4.2	4.36	
	Recruitment of personnel and personnel management		Render administrative support to all departments to facilitate the recruitment process	Quarterly report to Council	Recruitment of personnel is being conducted according to our existing organogram to fill vacant posts. A total of 26 vacancies were advertised, applicants were interviewed and placements were done.	5	4	4	5	5	5	4.6	4.68	
			Manage and administer all records in relation to recruitment process and employee records	Quarterly report to Council	A total of 34 files were opened for newly appointed personnel and all relevant documents to finalise the appointment and placement procedure were filed.	5	4	4	5	5	5	4.6	4.68	
			Manage and keep up to date all personnel records, leave, etc. on a weekly basis	Quarterly report to Council	All leave to an employee's credit were recorded and captured on the system and entered in leave registers. All files were updated during the oversight period.	5	4	4	5	5	5	4.6	4.68	
			All critical posts to advertised and filled	Quarterly report to Council	Four critical posts were identified for recruitment and advertised. One appointment has been made to fill critical vacant posts.	5	3	3	5	3	5	3.8	4.04	
			Approval of HR Development plan	Approval by Council	An HR Plan has not been drafted.	5	3	3	5	2	5	3.6	3.88	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
			Recruitment of personnel in all post levels and advise for compliance with EE plan	Quarterly report to Council	All vacant posts have been advertised stating that the municipality is an equal opportunity employer. An Employment Equity report has been availed to all managers to identify shortlist applicant in accordance with the EE targets of the municipality.	5	4	4	5	5	5	4.6	4.68	
	Legislative interface		Attend Portfolio, Council and Special Council meetings	Proof of council meetings	The following Council meetings were attended: Ordinary Council Meetings: 26 August 2011, 23 November 2011, 7 February 2012, 31 May 2012.	5	5	5	5	5	5	5	5	
					Special Council Meetings:	5	5	5	5	5	5	5	5	
	Development of By-Laws, policies procedures, delegation of powers and strategies		Develop and or review By-Laws, policies, procedures, delegation of powers and strategies and delegate powers to sub-ordinates	Quarterly report to Council	The following budget related policies have been reviewed prior to the approval of the 2012/13 budget: Bad Debt Write-Off, Tariffs, Credit Control, Indigent Support, Supply Chain Management, Virement, Fixed Assets and Travel and Subsistence. A new policy on Delegation of Powers in terms of the MFMA was introduced and approved by Council. Delegations and sub-delegation of powers was cascaded to sub-ordinates.	5	5	5	5	5	5	5	5	
	Employee Wellness programme		Availing of departmental speakers on funeral on invitation of families of deceased employees	Quarterly report to Council	Two requests were received to avail speakers on funerals.	5	4	4	4	4	5	4.2	4.36	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
	Labour relations		Facilitate prompt disciplinary actions against ill - disciplined employees	Quarterly report to Council	All requests for investigation of misconduct were drafted and provided to the Municipal Manager for final decision. Disciplinary actions were instituted where it deemed necessary. Fifteen disciplinary actions were conducted and finalised. Sanctions issued pursuant to disciplinary hearings ranged from dismissals to formal written warnings. Three employees were dismissed due to abscondment and five due to misconduct. Ten cases were referred to the Bargaining Council for Conciliation and or Arbitration: Three cases are pending, four cases were settled following agreements, two cases were won and one were won by the employee and re-instated.	5	4	4	4	4	5	4.2	4.36	
			Proper management of leave	Quarterly report to Council	All audits queries regarding leave were received and attended to.	5	4	4	4	5	5	4.4	4.52	
			Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Report to Council	The monthly print outs of the clock system have been retrieved from the system and availed to payroll. Of the four clock points three were in operation for the whole oversight period and one clock point was out of order for the last quarter.	5	4	4	4	4	5	4.2	4.36	
	Organizational structure		Review of departmental organizational structure in line with departmental goal	Proof of approval	The organizational structure was reviewed and submitted to Council with the 2012/13 draft budget. The organogram was subsequently approved by Council. The organogram was amended twice during the course of the year to provide for urgent and critical appointments.	5	4	4	4	5	5	4.4	4.52	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	Fleet management		Management and reporting of use of departmental vehicles: Running cost and maintenance	Quarterly report to Council	The cost of the fleet (2 x VW Golf) for the 2011/12 financial year was monitored and reported to Council on a quarterly basis. The following is a summary of the costs reported:	5	4	4	4	4	5	4.2	4.36	
					Fuel: R 60 511.46	5	4	4	4	4	5	4.2	4.36	
					Km Travelled: 65 811	5	4	4	4	4	5	4.2	4.36	
			Accident report on damaged vehicles and repair of damage	Quarterly report to Council	No accidents occurred during the overview period.	5	5	5	5	4	5	4.8	4.84	4.350256
LOCAL ECONOMIC DEVELOPMENT														
	Monitor jobs created in implementation of projects in the municipality	LED1.1	Collect information of jobs created	Quarterly report	CWWTW: 47, CBWS: 28 , LLC: 78	5	4	5	3	4	5	4.2	4.314286	
		LED1.2	Number of tenders awarded to HDIs when conditions allow	Quarterly report to Council	10 contracts awarded to HDI in the form of learnerships	5	5	5	3	4	5	4.4	4.485714	
	Number of jobs created by municipality on capital and job creation projects (short term)	LED1.1	To increase black participation in agricultural production and related potentials to maximise economic opportunities of the municipality by 2011	100%	16 People benefit from the Cleaning Project of the Cemeterie, 20 People benefit from the Cleaning of the Land Fill Sites and 245 people benefits from the Doornkloof Project..	5	4	5	3	5	5	4.4	4.485714	
		LED1.2	% of tenders awarded to HDIs	100%	No tender was awarded since July 2011 up to June 2012	5	4	4	3	3	5	3.8	3.971429	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	Tourism	LED2.1	To improved long range planning for the growth of tourism and related sectors	100%	The launch of a book of the Karretjie People. SADSA Events. Colesberg Extravaganza Township Event. Quarterly Report to Council. Meetings took place on 1; 15 an 31 March 2011, 7 June 2011	5	3	4	3	4	5	3.8	3.971429	
		LED2.2	Number of tourism establishment graded and registered with NCTB	100%	18 Guest Houses are registered. Quarterly Reports and Invoices attached.	5	3	4	3	3	5	3.6	3.8	
		LED2.3	Development/Review of SMME strategy	100%	SMME Strategy Plan not in place. Busy to liaise with Province to develop our own. Quarterly Reports.	5	3	2	3	2	5	3	3.285714	
		LED2.4	Development of local cooperative strategy	100%	Draft Provincial Co-operative Strategy is available. The municipality can now use this one to develop it's own. Quarterly Report to Council.	5	3	4	3	4	5	3.8	3.971429	
	Emerging Farmers	LED3,1	Identification of one or more Emerging Farmers who can be encouraged to acquire farms	100%	Two Emerging Farmers was identified, Mrs. Mbuque and Blankie Martiens. A letter was sent to the Department of Agriculture to assist these farmers.	5	5	4	3	5	5	4.4	4.485714	
		LED3,2	Identifying and facilitating purchasing processes for land or farms	100%	The following farms were identified, viz: De Voor; Brandewynfontein in Norvalspont but it was too expensive.	5	5	3	4	3	5	4	4.142857	
		LED3,3	Report on payment culture of Emerging Farmers	100%	Letters was send out to all the Emerging Farmers to make payments on their accounts. Evidence attache to reports.	5	5	3	4	4	5	4.2	4.314286	
		LED3,4	Identification of more commonage land for Emerging Farmers	100%	Busy lookiing for a farm/land for Norvalspont Emerging Farmers. Availability of farms in this area is a big problem. No land available.	5	2	3	4	3	5	3.4	3.628571	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	LED Strategy	LED4.1	Inviting stakeholders in implementing identified LED processes	100%	Stakeholders were invited to the following LED processes, viz: DBSA to Job Funds; Recycling Co-Operative and BANKSETA Project.	5	5	5	4	4	5	4.6	4.657143	
		LED4.2	Implementation of the LED Strategy	100%	LED Strategy completed. Only awaits the adoption the adoption by Council on the next Council Meeting	5	4	4	4	5	5	4.4	4.485714	
		LED4.3	Review of the LED Strategy	100%	This document is not necessary to be review yet(2011/2012)	5	3	2	4	4	5	3.6	3.8	
	Capacitating of HDI's	LED1.1	Report on number of bids awarded to HDI's in compliancy with the policy	Quarterly report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	4	5	5	4.8	4.828571	4.164286
FINANCIAL MANAGEMENT AND VIABILITY														
Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	FMV1.1	Prepare timeous departmental comment on internal and external audit reports	Quarterly report to Council	Comments submitted during the auditing period from August 2011 through to December 2011 on MIG, capital budget and fleet management	5	5	4	5	5	5	4.8	4.828571	
		FMV1.2	Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	Quarterly report to Council	Over time properly documented. R30 000 is the limit for all the department. Leave application principle adhered to and leave forms always filled.	5	5	4	5	4	5	4.6	4.657143	
	Budget and IDP Preparation	FMV2.1	Guide prioritizing process during IDP Rep Forums	Quarterly report to Council	Handled by an LED officer and manager Community Development, Technical plays supportive role. Two LED Rep Forums attended	5	5	4	5	5	5	4.8	4.828571	
		FMV2.2	Establishment of Steering Committee for IDP/Budget and SDBIP.		IDP steering committee exists and organised by Manager Community Development Service	5	5	5	5	5	5	5	5	

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Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	Budget Control & monitoring	FMV3.1	Submission of overtime control - overspending per month must be kept at R50 000 and overexpenditure must not be in excess of 5%	Quarterly report	Overtime to be curbed in the workshop and public works at all times. Essential section such as Electricity, Sanitation and Water overtime only where it can not be avoided	5	2	2	4	5	5	3.6	3.8	
		FMV3.2	Updating of departmental asset register to reflect assets acquired, disposed and replacement.	Report to Council	Progressive but not achieved.	5	2	2	4	4	3	3	3.285714	
		FMV3.3	Review departmental insurance porfolio on annual basis	Report to Council	Contents of the workshops not verified	5	3	3	4	4	5	3.8	3.971429	
		FMV3.4	Timeosly reporting of all insurance claims on all assets	Report to Council	Claim on BSF 215 NC submitted on time. Fleet burnt during wild cat strikes reported to insurance (Merc truck, tipper truck and Isuzu bakkie	5	5	5	4	5	5	4.8	4.828571	
		FMV3.5	Ensure representation of department on all SCM Committees and implementation of SCM policy in department	Report to Council	Department is represented on both specification, evaluation and adjudication committees	5	4	4	4	5	5	4.4	4.485714	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	FMV4.1	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report	Documentation available on acquisition, but disposal has not been carried out in this financial year.	5	5	3	4	5	5	4.4	4.485714	
		FMV4.2	GAMAP - GRAP convertion	Bid compliance sign-off	In progress through the finance department	5	4	5	4	5	5	4.6	4.657143	
		FMV4.3	Prepare timeous comments on internal and external audit reports	Proof of comments and report to Council	Comment submitted on water leakage infront of the library	5	5	3	4	4	5	4.2	4.314286	
		FMV4.4	Timeous preparation and submission of AFS to AG in new GRAP format	31-Aug-11	Finance department	5	5	5	4	5	5	4.8	4.828571	
	Budget and IDP Preparation	FMV5.1	Draft and submit Budget and IDP Time Table	Report quarterly to Council	Finance department and Community Development Services	5	5	4	4	5	5	4.6	4.657143	
		FMV5.2	Develop and monitor Service Delivery and Budget Implementation Plan (SDBIP)	Report quarterly to Council	The department cascaded down to section heads	5	5	5	4	5	5	4.8	4.828571	
		FMV5.5	Preparation and approval of Adjustments budget	Report quarterly to Council	Submitted to the Finance Department	5	5	5	5	5	5	5	5	
		FMV5.6	Ensure 100% collection and receipt of grant funding as per DoRA	Report quarterly to Council	All department to account on grants	5	5	5	5	5	5	5	5	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
	Financial Management	FMV7.1	the overexpenditure of budgeted amount on capital and operational excluding personel cost must not exceed 5%	Report to Council	Votes: 101810 = R1,559,225; R1,455,048 101815 = R34,430; R22,370 407005 = R812,675; R286,412 (Admin R472,625) 508005 = R1,557,898; R1,186,701 609005 = R2,689,371; R2,151,980	5	5	4	5	5	5	4.8	4.828571	
		FMV7.2	Complying with the awarding of tenders	Report to Council	WWTW: Civil: Ursa, Mech and Electral: HT Pelatona. WTW: Civil: Ursa, Mech and Electrical: Inenzo	5	5	4	5	4	5	4.6	4.657143	
		FMV7.3	Monitoring Performance with middle management per dept	Report to Council	Monthly report on operations submitted to HOD and quartely report submitted to council	5	5	4	5	5	5	4.8	4.828571	
	Budget and IDP Preparation	FMV9.1	Draft and submit departmental budget needs	Quarterly report to Council	Mid term budget adjustment and 2012/13 budget submitted	5	5	4	5	5	5	4.8	4.828571	
Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	FMV1.1	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	100%	All documentation is available on acquisition. Contracts: Emerging Farmers, Housing and IDP.	5	5	5	5	5	5	5	5	
		FMV1.2	Prepare timeous departmental comment on internal and external audit reports	100%	A new application for registration of Norvalspont Landfill Site was handed in for MIG Funds to adhere to the Audit Queries.	5	5	4	5	5	5	4.8	4.828571	
		FMV1.3	Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	100%	Community Development Section Budget Meetings with Middle Management on expenses of the telephone.	5	5	3	5	5	5	4.6	4.657143	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAO Member	Consolidated Score		
	Budget and IDP Preparation	FMV2.1	Draft and submit departmental budget needs	100%	The departmental and operational budget needs for 2011/2012 has been submitted to the CFO	5	5	5	5	5	5	5	5	
		FMV2.2	Monitor Service Delivery and Budget Implementation Plan (SDBIP)	100%	The monitoring of this plan happens on a monthly basis	5	5	5	4	5	5	4.8	4.828571	
		FMV2.3	Guide prioritizing process during IDP Rep Forums	100%	IDP meeting were held on 9 February 2012. Rep Forums and IDP Process Plan for 2012 also completed and in place.	5	5	5	4	5	5	4.8	4.828571	
	Budget Control & monitoring	FMV7.1	Submission of overtime control (R 6 000 per month)- overspending not to be in excess of 5%	100%	Control of overtime is done to prevent overspending. Reports attached.	5	5	4	4	5	5	4.6	4.657143	
		FMV7.2	Submission of budget control - overspending not to be in excess of 5%	100%	Budget Control of overspending is done for the 2011/2012 financial year.	5	5	4	4	5	5	4.6	4.657143	
		FMV7.3	100% of allocated capital budget spent year to date not to exceed 5%	100%	Budget Control take place during project phases. No capital overspending for the 2011/2012 financial year	5	5	4	4	5	5	4.6	4.657143	
		FMV7.4	95% of allocated budget spent year to date, excluding staff	100%	Allocated Budget Spent done for the 2011/2012 financial year.	5	5	5	4	5	5	4.8	4.828571	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		FMV7.5	Updating of departmental of asset register to reflect assets acquired and disposed and replacement.	100%	Asset Register updated and in place.	5	5	5	4	5	5	4.8	4.828571	
		FMV7.6	Review departmental insurance porfolio on annual basis	100%	Departmental Insurance updated	5	5	4	4	5	5	4.6	4.657143	
		FMV7.7	Timeosly reporting of all insurance claims on all assets	100%	Insurance claim was done due to an accident on LDV BSF234NC and BDC672NC as well as an Insurance Claim on the damaged fencing of the Norvalspont Sports Complex.	5	4	4	4	5	5	4.4	4.485714	
		FMV7.8	Ensure representation of department on all SCM Committees and implementation of SCM policy in department	100%	SCM Policy is implemented in this department. Representatives on this SCM committee is Messrs. R. Chenge, M. Thibane and the MCD	5	4	4	4	5	5	4.4	4.485714	
Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	FMV4.1	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report	DONE AUDIT FILES PRESENTED TO THE AG	5	5	5	5	5	5	5	5	
		FMV4.2	GAMAP - GRAP convertion	Bid compliance sign-off	WILL BE DONE AFTER CONTRACT COMPLETED	5	3	5	5	4	5	4.4	4.485714	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Comm unity memb er	Extern al Mayor	PAC Membe r	Consolidat ed Score		
				Completion of unbundling process	OUTSTANDING ISSUES OF THE PREVIOUS YEAR WILL BE DEALT WITH THIS YEARS AFS.	5	3	3	5	4	5	4	4.142857	
		FMV4.3	Prepare timeous comments on internal and external audit reports	Proof of comments	DONE REFER TO AUDIT MANAGEMENT LETTER AND INTERNAL AUDIT AGENDA AND MINUTES AND ANNUAL REPORT(AUDIT ACTION PLANS)	5	3	5	5	5	5	4.6	4.657143	
	Budget and IDP Preparation	FMV5.1	Draft and submit Budget and IDP Process Plan	Report to Council	DONE SUBMITTED ON 26 AUGUST 2011	5	3	5	5	5	5	4.6	4.657143	
		FMV5.2	Develop and monitor Service Delivery and Budget Implementation Plan (SDBIP)	Report to Council	DONE	5	3	5	4	5	5	4.4	4.485714	
		FMV5.3	Development of draft budget	Report to Council	DONE AND TABLED ON 30/03/2012 BUDGET STEERING COMMITTEE MEETINGS HELD FOR THE PREPARATIONS OF THE BUDGETS.	5	3	5	5	5	5	4.6	4.657143	
		FMV5.4	Timously approval of annual budget per MFMA timeframe	Report to Council	DONE AND SUBMITTED FOR COUNCIL APPROVAL ON 31 MAY 2012	5	3	5	5	5	5	4.6	4.657143	
		FMV5.5	Preparation and approval of Adjustments budget	Report to Council	DONE AND SUBMITTED FOR COUNCIL APPROVAL ON 30 MARCH 2012	5	3	5	5	5	5	4.6	4.657143	
		FMV5.6	Ensure 100% collection and receipt of grant funding as per DoRA	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	3	5	5	5	5	4.6	4.657143	
	Indigent management	FMV6.1	Verify and register households earning less than R1800 annually	Quarterly report	DONE CONTINUOUSLY	5	5	5	5	5	5	5	5	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		FMV6.2	Monitor indigents on a monthly basis	Quarterly report	DONE CONTINUOUSLY	5	5	5	5	5	5	5	5	
	Budget Control & monitoring	FMV7.1	Items to Finance StandingCommittee and Council	Quarterly report	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	4	5	5	4.8	4.828571	
		FMV7.2	Submission of Section 71 and other financial reports	Quarterly report	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	4	5	5	4.8	4.828571	
		FMV7.3	Report on % of allocated budget spent year to date, excluding staff - not to exceed 5%	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	4	5	5	4.8	4.828571	
	Budget Control & monitoring		Ensuring that the SCM Committees are encouraged to award tenders to BBEEE's if conditions allows that		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	4	5	5	4.6	4.657143	
			Proper implementation of the SCM policy and ensure functionality of Bid Committees	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	4	5	5	4.6	4.657143	
		FMV7.5	Complying with the awarding of tenders	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	4	5	5	4.6	4.657143	
	Financial management	FMV8.1	Monthly budget control, reconsiliation of general ledger accounts and report accordingly	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	4	5	5	4.6	4.657143	
		FMV8.2	Performance review with financial personnel	Report to Council	NOT APPLICABLE	5	5	3	4	5	5	4.4	4.485714	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Comm unity memb er	Extem al Mayor	PAC Membe r	Consolidat ed Score		
		FMV8.3	Implement an effective system of revenue collection and safekeeping of data as per MFMA	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	4	5	5	4.6	4.657143	
		FMV8.4	Development of Investment Strategy and management thereof	Report to Council	DONE	5	5	4	4	5	5	4.6	4.657143	
		FMV8.5	Compile and implement a Supplementary valuation Roll	Proof of implementation	DONE AND IMPLEMENTED	5	5	5	4	5	5	4.8	4.828571	
		FMV8.6	Report on the implementation Priorities MFMA	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	5	5	5	4.8	4.828571	
		FMV8.7	Management of Investment accounts	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	4	5	5	5	4.8	4.828571	
	Debtors management	FMV9.1	Implementation of approved credit control and debt collection policy	Report to Council	DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	5	
		FMV9.2	Writing off of bad debt	Report to Council	AS AN WHEN REQUIRED AS PART OF THE COUNCIL INCENTIVE PROGRAMME	5	5	5	5	5	5	5	5	
		FMV9.3	Management and implementation of cutting off list on a mothly basis	Report to Council	DONE CONTINUOUSLY	5	5	5	5	5	5	5	5	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		FMV9.4	Handing over of all collectable debtors older than 120 days for collection	Report to Council	DONE CONTINUOUSLY	5	5	5	5	5	5	5	5	
		FMV10.1	Installation of new Financial System/ empowering the existing system to generate the required reports	Report to Council	WAIT FOR FUNDING AND THE DIGR	5	5	4	5	4	5	4.6	4.657143	
		FMV10.2	Draft and maintain a GRAP compliant assset register	Report to Council	THE GRAP COMPLIANT ASSET REGISTER WILL BE SUBMITTED WITH AFS. PROGRESS REPORT ON AUDIT RELATED ISSUES ACCORDING TO THE ACTION PLAN ATTACHED.	5	5	4	5	4	5	4.6	4.657143	
Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011		Prepare timeous departmental comment on internal and external audit reports		All internal and external audit queries were referred to the department and attended to.	5	5	4	5	4	5	4.6	4.657143	
			Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	Quarterly report to Council	Overtime limits have been monitored to stay within the allocation. Leave applications and procedures connected with it were observed as required by the policy and internal audit.	5	5	4	5	5	5	4.8	4.828571	
	Budget Control & monitoring		Submission of overtime control - overspending not to be in excess of 5%	Quarterly report	Overtime claims were monitored for overspending on a monthly basis. The budget allocated was not exceeded by the 5% norm.	5	5	4	5	5	5	4.8	4.828571	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Comm unity memb er	Extern al Mayor	PAC Membe r	Consolidat ed Score		
			Updating of departmental asset register to reflect assets acquired, disposed and replacement.	Report to Council	All assets procured or disposed have been given through to the responsible employee for updating of the asset register.	5	5	4	5	5	5	4.8	4.828571	
			Review departmental insurance portfolio on annual basis	Report to Council	Asset register were scrutinized and updated for insurance purposes.	5	5	5	5	5	5	5	5	
Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011		Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report	All documentation on procurement and disposal of assets are available and safeguarded by the Supply Chain Management Section.	5	5	5	5	5	5	5	5	
	Budget and IDP Preparation		Draft and submit Budget and IDP Time Table	Report to Council	Draft budget and IDP time table has been completed and approved by Council.	5	5	5	5	5	5	5	5	
			Develop a Service Delivery and Budget Implementation Plan (SDBIP)	Report to Council	The 2012/13 SDBIP has been drafted and has been approved.	5	5	5	5	5	5	5	5	
	Budget Control & monitoring		Compile and implement a Supplementary valuation Roll	Proof of implementation	Supplementary Valuation Roll has been prepared for the 2011/12 financial year. Notices were placed in the local media and Provincial Gazette and posted to individual owners. Eleven objections were received were rejected by the Municipal Valuer. All objections were dismissed by the Municipal Valuer and same have been implemented on 1 April 2012. Accounts based on the new valuations have been served on owners.	5	5	5	4	5	5	4.8	4.828571	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clir	Community member	External Mayor	PAC Member	Consolidated Score		
	Debtors management		Annual review and implementation of approved credit control and debt collection policy	Report to Council	An annual review of all budget related policies has been done and submitted with the draft budget in March 2012. The policies were approved by Council on 31 May 2012.	5	5	5	4	5	5	4.8	4.828571	
	Budget and IDP Preparation		Draft and submit departmental budget needs	Quarterly report to Council	Budget needs for 2012/13 has been prepared and availed to the Budget and Treasury Office in March 2012	5	5	5	4	5	5	4.8	4.828571	
			Monitor Service Delivery and Budget Implementation Plan (SDBIP)	Quarterly report to Council	Monitoring of the SDBIP is being done on a monthly basis	5	5	4	4	5	5	4.6	4.657143	
			Submission of budget control - overspending not to be in excess of 5%	Quarterly report	All expenditure votes are within the prescribed limit	5	5	4	4	5	5	4.6	4.657143	4.717902
GOOD GOVERNANCE AND PUBLIC PARTICIPATION							5							
To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1.1	submission of issues by HOD's to a quarterly newsletter	Proof of information leaflet	December sumbmission issued	5	5	5	4	5	5	4.8	4.828571	
		GGPP1.2	Attend quarterly Council Meets the People meetings	Minutes approved by Council	3 during the half year	5	5	5	4	5	5	4.8	4.828571	
		GGPP1.3	Schedule IDP rep forum meetings with agenda and minites	Proof of meetings	LED officer arranged and attended by invitation	5	5	4	4	5	5	4.6	4.657143	
		GGPP1.4	Ensure compilation of IDP and annual review	Submission of IDP review	Participation in IDP processes through an invitation by LED manager	5	5	4	4	5	5	4.6	4.657143	
		GGPP1.5	Attend budget and IDP consultative meetings	Attendance register and minites	One meeting attended through an invitation by LED manager	5	5	4	5	4	5	4.6	4.657143	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		GGPP1.6	Ensure that all department projects have a functional steering committee	Proof of meetings	Due to ammendment to terms of reference of the committee all site meetings now forms part of the streering committee meetings with one rep member seconded by commity	5	5	4	5	4	5	4.6	4.657143	
	Functioning of IGR systems	GGPP2.1	Attend Local IGR meetings	Quarterly report to Council	Not achieved	5	4	4	3	1	5	3.4	3.628571	
	Management of complaints and community feedback	GGPP3.1	Ensure registration and handling of service delivery complaints	Quarterly report to Council	Handled by Customer Care Officer some are directly handled	5	4	4	5	4	5	4.4	4.485714	
		GGPP3.2	Give instant feedback to community members on disruption of services	Aproval by Council	Communicted to Coporate Services Department and then to the community	5	4	5	5	4	5	4.6	4.657143	
To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1.1	Draft quarterly newsletter on Community Services matters and current issues within the municipality	100%	Four news letter was handed over to Corporate Services. The second news letter was also handed over to Corporate Services for the year.	5	4	4	5	4	5	4.4	4.485714	
		GGPP1.2	Attend quarterly Council Meets the People meetings	100%	2 Meetings was attended on 2 and 6 February 2012.	5	3	4	5	4	5	4.2	4.314286	
		GGPP1.3	Schedule IDP consultative meetings with agenda and minites	100%	Steering Committee meetings were held on 7 November 2011 and 24 May 2012.	5	4	4	4	4	5	4.2	4.314286	
		GGPP1.4	Ensure compilation of IDP and annual review	100%	The Draft IDP 2011/2012 completed. The Final IDP completed and approved by Council on 31 May 2011.	5	4	4	5	4	5	4.4	4.485714	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
		GGPP1.5	Attend budget and IDP consultative meetings	100%	Budget meeting was attended on 7 March 2012 and 10 May 2012. IDP Forum meeting was attended on 9 February 2012.	5	5	4	5	4	5	4.6	4.657143	
		GGPP1.6	Ensure that all department projects have a functional steering committee	100%	Steering Committee for Noupoort Housing still the same. Steering Committee for Ouboks still the same.	5	5	4	4	4	5	4.4	4.485714	
		GGPP1.7	Workshop all newly adopted policies and By-Laws with personnel	100%	SCM Policy with M/Management, Commonage Land Allocation Policy with Mr. R. Chenge.	5	5	4	5	4	5	4.6	4.657143	
	Functioning of IGR systems	GGPP2.1	Attend Local IGR meetings	100%	No IGR Meetings at this stage	5	4	4	5	1	5	3.8	3.971429	
	Management of complaints and community feedback	GGPP3.1	Ensure registration and handling of service delivery complaints	100%	Complaint book in place	5	5	4	5	5	5	4.8	4.828571	
		GGPP3.2	Give instant feedback to community members on disruption of services	100%	Loudhalers installed in LDV to inform the communities on disruption of services. Communities were informed of Working Schedules for December 2011 by notices.	5	5	4	5	5	5	4.8	4.828571	
To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1.1	Draft quarterly newsletter on Community Services matters and current issues within the municipality	Proof of information leaflet	INFORMATION WAS SUBMITTED TO COUNCIL SUPPORT FOR PUBLICATION	5	5	4	5	5	5	4.8	4.828571	
		GGPP1.2	Attend quarterly Council Meets the People meetings	Minutes approved by Council	ATTENDED WHEN AVAILABLE	5	3	5	5	5	5	4.6	4.657143	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Clr	Community member	External Mayor	PAC Member	Consolidated Score		
		GGPP1.3	Participate in IDP consultative meetings	Proof of meetings	DONE	5	5	4	4	5	5	4.6	4.657143	
		GGPP1.4	Participate in compilation of IDP and annual review processes	Submission of IDP review	DONE	5	5	4	5	5	5	4.8	4.828571	
		GGPP1.5	Attend budget and IDP consultative meetings	Attendance register and minites	NO BUDGET AND IDP CONSULTATIVE MEETINGS COULD TAKE PLACE BECAUSE OF THE UNREST IN COMMUNITEES	5	3	3	5	5	5	4.2	4.314286	
		GGPP1.6	Workshop all newly adopted policies and By-Laws with personnel	Proof of communication	NO NEW POLICIES WERE ADOPTED	5	5	5	5	5	5	5	5	
	Functioning of IGR systems	GGPP2.1	Attend Local IGR meetings	Quarterly report to Council	NO MEETING WAS HELD	5	2	2	4	5	5	3.6	3.8	
	Management of complaints and community feedback	GGPP3.1	Ensure registration and handling of service delivery complaints	Complaints Register	Complaints register updated daily	5	5	5	5	5	5	5	5	
		GGPP3.2	Give instant feedback to community members on disruption of services	Approval by Council	Yes	5	5	5	4	5	5	4.8	4.828571	
To strengthening Good Governance, Community Participation and Ward Committee Systems in local	Public communication and participation with community on local government matters		Draft quarterly newsletter on Community Services matters and current issues within the municipality	Proof of information leaflet	Two newsletters have been drafted for the 2011/12 financial year. No inputs from managers could be derived for compilation of the other two quarterly newsletters.	5	5	5	5	5	5	5	5	

MUNICIPAL MANAGER FINAL EVALUATION FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	PROGRESS REPORT	Self Score	Mayor	Cllr	Community member	External Mayor	PAC Member	Consolidated Score		
Systems in local government					Various notices were issued to the inhabitants on service delivery problems were done to inform the inhabitants of service delivery problems. A system of e-mail notification has been used to convey urgent notices to the public.	5	5	5	5	5	5	5	5	
			Attend quarterly Council Meets the People meetings	Minutes approved by Council	Two Council meets the People have been attended	5	4	5	5	5	5	4.8	4.828571	
			Attend budget and IDP consultative meetings	Attendance register and minutes	All budget and IDP consultative meetings scheduled for third and fourth quarter have been attended. Minutes were kept and attendance register filled out.	5	5	5	5	5	5	5	5	
			Attend Local IGR meetings	Quarterly report to Council	No local IGR meetings scheduled during period in overview	5	4	4	5	5	5	4.6	4.657143	
	Management of complaints and community feedback		Ensure registration and handling of service delivery complaints	Quarterly report to Council	All service delivery complaints have been given through to the Credit Control and Customer Care Officer in the Finance department.	5	4	4	5	5	5	4.6	4.657143	
			Give instant feedback to community members on disruption of services	Approval by Council	A system is in place to give through incurrences of service delivery disruptions. The data base is currently not completed because the initiative to obtain numbers has not been a great success. Service delivery problems are currently given through to inhabitants by means of hand delivered notices and e-mail.	5	5	5	5	5	5	5	5	4.632653

MUNICIPAL MANAGER CALCULATOR FOR 2011/12

Section 57 Managers

Municipality: Umsobomvu

Annual Performance Assessment

Assessment Rating Calculator

Name: AC Mpela

Cycle: Jul-11 to Jun-12

KRA	Weight	Rating	Score
BSD	20%	4.154545455	0.830909091
MT&OD	20%	4.35025641	0.870051282
LED	20%	4.164285714	0.832857143
MFV&M	20%	4.717902351	0.94358047
GG&PP	20%	4.632653061	0.926530612
	100%		146.7976199

CMC	Weight	Rating	Score
Financial Management	20%	4.8	0.96
People Managements and Empowerment	20%	5	1
Client Orientation and Customer Focus	20%	4.8	0.96
Interpretation of and implementation within the legislative an national policy frameworks	10%	4.8	0.48
Knowledge of Performance Management and Reporting	10%	4.8	0.48
Competence in policy conceptualisation, analysis and implementation	10%	4.8	0.48
Skills in Governance	10%	5	0.5
	100%		97.2

KPA weight	**80%**
KPA SCORE	**117%**
CCR weight	**20%**
CCR SCORE	**19%**
FINAL SCORE	**137%**

MUNICIPAL MANAGER CMC FOR 2011/12

CORE MANAGERIAL COMPETANCIES (CMC)		WEIGHT	Self Score	Mayor Score	Cllr Score	External Mayor Score	PAC Member	Community member	Consolidated Score	
Financial Management	compulsory	20	5	5	5	5	4	4	4.75	4.8
People Managements and Empowerment	compulsory	20	5	5	5	5	5	4	5	5
Client Orientation and Customer Focus	compulsory	20	5	5	5	5	4	4	4.75	4.8
Interpretation of and implementation within the legislative an national policy frameworks		10	5	5	5	5	4	4	4.75	4.8
Knowledge of Performance Management and Reporting		10	5	5	5	5	4	4	4.75	4.8
Competence in policy conceptualisation, analysis and implementation		10	5	5	5	5	4	4	4.75	4.8
Skills in Governance		10	5	5	5	5	5	4	5	5
		100%								

FINANCIAL MANAGER CALCULATOR FOR 2011/12

Section 57 Managers

Municipality: Umsobomvu

Annual Performance Assessment

Assessment Rating Calculator

Name: DT Visagie

Cycle: Jul-11 to Jun-12

KRA	Weight	Rating	Score
BSD	0%		0
MT&OD	20%	4.6	0.92
LED	5%	5	0.25
MFV&M	65%	4.9677419	3.2290323
GG&PP	10%	4.8222222	0.4822222
	100%		162.70848
KPA weight			80%
KPA SCORE			130%

CMC	Weight	Rating	Score
Financial Management	20%	5	1
People Managements and Empowerment	20%	4.6	0.92
Client Orientation and Customer Focus	20%	4.6	0.92
Interpretation of and implementation within the legislative an national policy frameworks	10%	4.6	0.46
Knowledge of Performance Management and Reporting	10%	4.6	0.46
Competence in policy conceptualisation, analysis and implementation	10%	4.6	0.46
Skills in Governance	10%	4.6	0.46
	100%		93.6
CCR weight			20%
CCR SCORE			19%

FINAL SCORE **149%**

COMMUNITY DEVELOPMENT MANAGER CMC FOR 2011/12

CORE MANAGERIAL COMPETANCIES (CMC)		WEIGHT	Self Score	MM Score	Cllr Score	External MM Score	PAC Member	Consolidated Score	
Financial Management	compulsory	20	5	4	5	5	5	4.75	4.6
People Managements and Empowerment	compulsory	20	5	4	5	5	5	4.75	4.6
Client Orientation and Customer Focus	compulsory	20	5	4	5	5	5	4.75	4.6
Interpretation of and implementation within the legislative an national policy frameworks		10	5	3	5	5	5	4.5	4.2
Knowledge of Performance Management and Reporting		10	5	5	5	5	5	5	5
Competence in policy conceptualisation, analysis and implementation		10	5	4	5	5	5	4.75	4.6
Skills in Governance		10	5	4	5	5	5	4.75	4.6
		100%							

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	Weight	PROGRESS REPORT	Self Score	MM	Cllr	External MM	PAC Member	Consolidated Score		
To effectively and effieciently manage transformation and institutional development in the municipality	Performance management System	MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	Quarterly report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL	5	5	5	5	5	5	5	
		MTID5.2	Submission of SDBIP and PMS Reports	Quarterly report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		MTID5.3	Attending CFO forums of Prov. Treasury	Quarterly report to Council		TWO MEETINGS WERE HELD AND ATTENDED	5	5	5	5	5	5	5	
		MTID5.4	Quarterly report to Council on the submission of Financial reports	Quarterly report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		MTID5.5	Cascading of the performance management system to all departmental empoyees			CASCADING DOWN TO MIDDLE MANAGEMENT	3	5	3	3	3	3.5	3.4	
		MTID3.7	Ensure that all departmental resignations, dismissals, retirements and absconments are reported to HR and instruction is given activate recruitment processes			No resignations only pending disciplinary cases	5	5	5	5	5	5	5	

	MTID3.8	Holding of 6 general staff meeting to enhance performance			2 MEETINGS (1 In Noupoort and 1 in Colesberg)	3	3	3	3	3	3	3	
	MTID3.9	Holding of 12 middle management meetings to enhance performance			HELD 13 MEETINGS which include the audit steering committee meetings.	5	5	5	5	5	5	5	
	MTID3.10	Facilitate the establishment of the Departmental Recognition Committee and proper functionality			MIDDLE MANAGEMENT PERFORM THIS FUNCTION	5	5	5	5	5	5	5	
Legislative interface	MTID3.11	Attend Portfolio, Council and Special Council meetings	Proof of council meetings		Attended all meetings when not commited by other SALGA/National Treasury/ Auditor General	5	5	5	5	5	5	5	
	MTID3.12	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental issues	Proof of meetings		Done Regularly	3	3	3	3	5	3.5	3.4	
	MTID3.13	Quarterly report to Council on execution of Council resolutions	Quarterly report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

	Development of By-Laws, policies procedures, delegation of powers and strategies	MTID6.1	Develop and or review of all Financial Related By-Laws, policies, procedures, delegation of powers and stategies and delegate powers to sub-ordinates	ANNUALLY report to Council		DONE ANNUALLY WITH THE BUDGET PROCESS	5	5	5	5	5	5	5	4.6
FINANCIAL MANAGEMENT AND VIABILITY															
Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	FMV4.1	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	AG Report		DONE AUDIT FILES PRESENTED TO THE AG	5	5	5	5	5	5	5	
		FMV4.2	GAMAP - GRAP convertion	Bid compliance sign-off		WILL BE DONE AFTER CONTRACT COMPLETED	5	5	5	5	5	5	5	
				Completion of unbundling process		OUTSTANDING ISSUES OF THE PREVIOUS YEAR WILL BE DEALT WITH THIS YEARS AFS.	5	5	5	5	5	5	5	
		FMV4.3	Prepare timeous comments on internal and external audit reports	Proof of comments		DONE REFER TO AUDIT MANAGEMENT LETTER AND INTERNAL AUDIT AGENDA AND MINUTES AND ANNUAL REPORT(AUDIT ACTION PLANS)	5	5	5	5	5	5	5	
	Budget and IDP Preparation	FMV5.1	Draft and submit Budget and IDP Process Plan	Report to Council		DONE SUBMITTED ON 26 AUGUST 2011	5	5	5	5	5	5	5	
		FMV5.2	Develop and monitor Service Delivery and Budget Implementation Plan (SDBIP)	Report to Council		DONE	5	5	5	5	5	5	5	

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

		FMV5.3	Development of draft budget	Report to Council		DONE AND TABLED ON 30/03/2012 BUDGET STEERING COMMITTEE MEETINGS HELD FOR THE PREPARATIONS OF THE BUDGETS.	5	5	5	5	5	5	5	
		FMV5.4	Timously approval of annual budget per MFMA timeframe	Report to Council		DONE AND SUBMITTED FOR COUNCIL APPROVAL ON 31 MAY 2012	5	5	5	5	5	5	5	
		FMV5.5	Preparation and approval of Adjustments budget	Report to Council		DONE AND SUBMITTED FOR COUNCIL APPROVAL ON 30 MARCH 2012	5	5	5	5	5	5	5	
		FMV5.6	Ensure 100% collection and receipt of grant funding as per DoRA	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
	Indigent management	FMV6.1	Verify and register households earning less than R1800 annually	Quarterly report		DONE CONTINUOUSLY	5	5	5	5	5	5	5	
		FMV6.2	Monitor indigents on a monthly basis	Quarterly report		DONE CONTINUOUSLY	5	5	5	5	5	5	5	
	Budget Control & monitoring	FMV7.1	Items to Finance StandingCommittee and Council	Quarterly report		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV7.2	Submission of Section 71 and other financial reports	Quarterly report		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV7.3	Report on % of allocated budget spent year to date, excluding staff - not to exceed 5%	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

Improvement in the Financial Viability and Financial Management of local government;	Budget Control & monitoring		Ensuring that the SCM Committees are encouraged to award tenders to BBEEE's if conditions allows that			DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
			Proper implementation of the SCM policy and ensure functionality of Bid Committees	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV7.5	Complying with the awarding of tenders	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
	Financial management	FMV8.1	Monthly budget control, reconsiliation of general ledger accounts and report accordingly	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV8.2	Performance review with financial personnel	Report to Council		NOT APPLICABLE	5	5	5	5	5	5	5	
		FMV8.3	Implement an effective system of revenue collection and safekeeping of data as per MFMA	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV8.4	Development of Investment Strategy and management thereof	Report to Council		DONE	5	5	5	5	5	5	5	
		FMV8.5	Compile and implement a Supplementary valuation Roll	Proof of implementation		DONE AND IMPLEMENTED	5	5	5	5	5	5	5	
		FMV8.6	Report on the implementation Priorities MFMA	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

		FMV8.7	Management of Investment accounts	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
	Debtors management	FMV9.1	Implementation of approved credit control and debt collection policy	Report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	
		FMV9.2	Writing off of bad debt	Report to Council		AS AN WHEN REQUIRED AS PART OF THE COUNCIL INCENTIVE PROGRAMME	5	5	5	5	5	5	5	
		FMV9.3	Management and implementation of cutting off list on a mothly basis	Report to Council		DONE CONTINUOUSLY	5	5	5	5	5	5	5	
		FMV9.4	Handing over of all collectable debtors older than 120 days for collection	Report to Council		DONE CONTINUOUSLY	5	5	5	5	5	5	5	
	Asset management	FMV10.1	Installation of new Financial System/ empowering the existing system to generate the required reports	Report to Council		WAIT FOR FUNDING AND THE DIGR	4	4	4	4	4	4	4	
		FMV10.2	Draft and maintain a GRAP compliant assset register	Report to Council		THE GRAP COMPLIANT ASSET REGISTER WILL BE SUBMITTED WITH AFS. PROGRESS REPORT ON AUDIT RELATED ISSUES ACCORDING TO THE ACTION PLAN ATTACHED.	5	5	5	5	5	5	5	4.96774
LOCAL ECONOMIC DEVELOPMENT															
To effect local economic development	Capacitating of HDI's	LED1.1	Report on number of bids awarded to HDI's in compliancy with the policy	Quarterly report to Council		DONE REFER TO QUARTERLY REPORTS TO COUNCIL (MTID5.1)	5	5	5	5	5	5	5	5
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															

FINANCE MANAGER FINAL EVALUATION FOR 2011 12

To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1	Draft quarterly newsletter on Community Services matters and current issues within the municipality	Proof of information leaflet		INFORMATION WAS SUBMITTED TO COUNCIL SUPPORT FOR PUBLICATION	3	3	3	5	3	3.5	3.4	
		GGPP1	Attend quarterly Council Meets the People meetings	Minutes approved by Council		ATTENDED WHEN AVAILABLE	5	5	5	5	5	5	5	
		GGPP1	Participate in IDP consultative meetings	Proof of meetings		DONE	5	5	5	5	5	5	5	
		GGPP1	Participate in compilation of IDP and annual review processes	Submission of IDP review		DONE	5	5	5	5	5	5	5	
		GGPP1	Attend budget and IDP consultative meetings	Attendance register and minites		NO BUDGET AND IDP CONSULTATIVE MEETINGS COULD TAKE PLACE BECAUSE OF THE UNREST IN COMMUNITEES	5	5	5	5	5	5	5	
		GGPP1	Workshop all newly adopted policies and By-Laws with personnel	Proof of communication		NO NEW POLICIES WERE ADOPTED	5	5	5	5	5	5	5	
	Functioning of IGR systems	GGPP2	Attend Local IGR meetings	Quarterly report to Council		NO MEETING WAS HELD	5	5	5	5	5	5	5	
	Management of complaints and community feedback	GGPP3	Ensure registration and handling of service delivery complaints	Complaints Register		Complaints register updated daily	5	5	5	5	5	5	5	
		GGPP3	Give instant feedback to community members on disruption of services	Approval by Council		Yes	5	5	5	5	5	5	5	4.82222

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

Strategy	Indicator	KPI No	Baseline	Measurement Source and Frequency	Weight	PROGRESS REPORT	Self Score	MM	Clir	External MM	PAC Member	Consolidated Score		
BASIC SERVICE DELIVERY														
To improve and provide basic serivces of good quality to the residents	To improve water quality and continuity of water services to residents	BSD1.1	Provision of sustainable water to residents	Quarterly reports to Council		Challenges in sustainable provision during Oct, Nov, Dec, Jan due to high demand	5	5	5	5	5	5	5	
		BSD1.2	Number of blue drops achieved	Quarterly reports to Council and DWA		Assessment was conducted on Thursday, 29 February 2012. Score dropped to 15% Results uploading problem	5	5	5	5	5	5	5	
		BSD1.3	To ensure proper management of Bulk Water Supply project	Quarterly reports to Council, spending reporting and meeting		Phase 1B: Construction of 12.51 km of 500 mm diameter ductile iron R29,567,789, completed in May 2012. Phase 1B: LLC should've been completed by 20/06/2012. Progress at R9 million	5	5	5	5	5	5	5	
		BSD1.4	To ensure proper management of water provision agreements- Bloem Water, du tiot and Raad.	Quarterly reports to Council AND SIGNED AGREEMENTS/CONTRACTS		Bloemwater Contract still hanging, second copy delivered at their offices in Nov 2011. Hank du toit and Raad contracts need to be reviewed	5	5	5	5	5	5	5	
		BSD1.5	Report on the percentage of households with access to basic level of water	Quarterly reports to Council		98,6% access to water achieved. The following connections were made during the first half, 3 water connections done. 1 Old Loc, 1 Ext 4 & 1 Bongweni	5	5	5	5	5	5	5	
		BSD1.6	Replace network valves: Colesberg - 10; Noupoort - need to do investigation.	Quarterly reports to Council		Flanged valves procured. Flanged adaptors still needed. Maintenance budget exceeded due to purchase water meters at New Ouboks.	5	5	5	5	5	5	5	
		BSD1.7	Develop long term bulk infrastructure investment plan	Quarterly reports to Council		The municipality has CIP reviewed every year. Electronic copy available	5	5	5	5	5	5	5	
		BSD1.8	Number of water leaks detected/reported and repaired	Quarterly reports to Council		13 leaks detected, only 12 repaired. No attempt made to repair the leaks during second quarter. Water demand too high in Colesberg	5	5	5	5	4	4.75	4.8	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

BSD1.9	Number of water samples taken	Monthly reports of EHP		108 samples taken during the year. (9 samples per months)	5	5	5	5	5	5	5	
BSD1.10	Report on number of hours Orange River and Borehole BWSupply Lines are down due to leaks	Quarterly reports to Council		Orange River abstruction point; (ORNO289-88 twice, 426-4-7 three times, 426-6) Boreholes system: (CCF5-26-2-3, CCF5-33T-3)	5	5	4	5	5	4.75	4.8	
BSD1.11	Report on the number of hours the Borehole system is down	Quarterly reports to Council		10/12/2012, 6 hrs. Fault on transformer CCF5-26-2-3	5	5	5	5	5	5	5	
BSD1.12	Report on the number of hours each borehole is down	Quarterly reports to Council		Only two boreholes not working. Each borehole is been standing for 8 760 hrs (#75 and Ou Vlei)	5	5	5	5	5	5	5	
BSD1.13	Report on the number of hours pumpstation duty and standby pumps are down:	Quarterly reports to Council. Inccident register		12/07/11 and 21/08/11 for 10 hrs planned maintenance, 6 hrs unplanned on 04/08/11; 29/11/11, 06/12/11, 10/12/11 and 29/12/11; 12/02/12 10 hrs planned.10/06/12 10 hrs planned. 20/06/12 8 hrs planned.	5	5	5	5	5	5	5	
BSD1.14	Report on amount of funds spend on maintenace in accordance with allocated budget	Quarterly reports to Council. V520 report		R526,078 spent during the year. Budget = R325,717. More than 62% spent over the budget	5	5	5	5	5	5	5	
BSD1.15	100% Compliance with SANS 241 for E.coli	Quarterly reports to Council and MHS		77% compliance. Failures in Norvalspont. Only 47% complying during 2nd quarter. 27 samples in Jan to Mar, only 9 complied (33%). Apr to June all samples complied	5	5	5	5	5	5	5	
BSD1.16	Equip WTW laboratory to carry out chemical tests on water	Quarterly reports to Council and DWA		Not achieved	5	5	3	1	5	3.5	3.8	

BSD1.17	To ensure effective and efficient operation of CWTW & NWTW	Monthly reports		Proper paper trail to be kept. Paper trail still a challenge during second quarter of midterm, using general workers as wtw operators	5	5	5	5	5	5	5	
BSD1.18	Implementation WSCDBP	Quarterly reports to Council		WSCDBP implemented through various strategies in the performance agreement	5	5	5	4	5	4.75	4.8	
BSD1.19	Report on monthly water audit on Bulk Supply lines: Tolhuis to WTW to reservoir; Van Der Waltsfontein to reservoir	Quarterly reports to Council		CWTW and VDW = 2,970,546 kl NPT = 538,790 kl NVPT = 148,547 kl	5	5	5	5	5	5	5	
BSD1.20	Report on percentage reticulation losses and implementation of remedial actions to reduce losses by 5%	Quarterly reports to Council		Water audit needed to determine water losses. No info on billed water consumption: Financial system is not capable to provide info	5	5	5	5	5	5	5	
BSD1.21	Installation of water meters in two communal taps in formal areas	Quarterly reports to Council		One installed on the Phillipstown informal area	5	5	5	5	5	5	5	
BSD1.22	Installation of communal taps and meters in areas without yard connections	Quarterly reports to Council		All households have yard connection	5	5	5	5	5	5	5	
BSD1.23	Attending to unreaderble meter, covered meters and broken meters.	Quarterly reports to Council		832 attended to based on meter readers report from credit control section, 20 new water meters	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

Comply with the standard set in the Green Drop System and continues provision of sanitation services.	BSD2.1	100 % green drops achieved	Quarterly reports		2011/12 assessment on 29 Feb 2012, less than 10% achieved in all three WWTWs	5	5	5	5	5	5	5	
	BSD2.2	Empty 43 buckets twice a week	Quarterly reports		Achieved. Team work three hours every Monday and Thursday	5	5	5	5	5	5	5	
	BSD2.3	Emptying 110 septic tanks once a month	Quarterly reports		One tanker burnt, only one working with a side shaft problem	5	5	5	5	5	5	5	
	BSD2.4	Emptying 795 VIP toilets once a year	Quarterly reports		In essence to be emptied every five year interval. Emptied in December 2010. No budget for ones already full.	5	5	5	5	5	5	5	
	BSD2.5	Number of sewerage spills/blockages detected/reported and repaired	Quarterly reports to Council		548 blockages reported and attended to.	5	5	5	5	5	5	5	
Infrastructural Development	BSD3.1	To ensure that santation backlogs is 1.6%	Quarterly reports to Council		Sanitation backlogs eradicated in formal areas	5	5	5	5	5	5	5	
	BSD3.2	Report on 98.4% of households with access to basic level of sanitation	Quarterly reports to Council		All households with access to sanitation serviced on monthly basis including farmers	5	5	5	5	5	5	5	
	BSD3.3	Sourcing of funds for upgrading of Colesberg WWTW	Quarterly reports to Council		Funding sourced from DWA RBIG with the municipality contributing 23% and the balance by sector department. R25 million, (R19.25m DWA and R5.75m Umsobomvu)	5	5	5	5	5	5	5	
	BSD3.4	Update the CIP.	Quarterly reports to Council		CIP reviewed yearly. Achieved	5	5	5	5	5	5	5	
	BSD3.5	Register the report on alternative sanitation system which is 444 VIP's with MIG	Quarterly reports to Council		Technical report compiled, MIG1 form completed	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

	BSD3.6	Empty full VIP's in areas not serviced by Ouboks ISUP	Quarterly reports to Council		BSD2.4 above deals with emptying of VIP not serviced by Oubok ISUP	5	5	5	5	5	5	5	
	BSD3.7	Mobilise funds for Norvalspont sewerage network	Quarterly reports to Council		Technical report compiled and MIG1 form submitted to MIG office. Not approved	5	5	5	5	5	5	5	
Project Management	BSD4.1	Construction of Waste water treatment works	Monthly & Quarterly reports to Council		Construction commenced in July 2011. To be completed in June 2012, behind schedule	5	5	5	5	5	5	5	
	BSD4.2	Construction Water treatment works	Monthly & Quarterly reports to Council		Tender out in December for construction. Construction commenced in May 2012. Estimated completion in October 2013.	5	5	5	5	5	5	5	
	BSD4.3	Electrification of Oubox	Monthly & Quarterly reports to Council		Phase 1B of the electrification completed in December 2011. Valued at R1.17m. Only 60 house connections achieved. Phase 2 on tender	5	5	5	5	5	5	5	
	BSD4.4	Installation of solar waters geyser	Monthly & Quarterly reports to Council		Funds only transferred in December. Tender for installers and PMOs already out for advert in July 2012.	5	5	5	5	5	5	5	
	BSD4.5	Building 100 houses in Nouport	Monthly & Quarterly reports to Council		51 houses are complete. Construction slow due to poor planning by the contractor. Responsibility is with the department currently to finish the project	5	5	5	5	5	5	5	
	BSD4.6	Paving 3km of gravel road	Monthly & Quarterly reports to Council		Not achieved. No compactor available in the municipality. Advert out for machienery	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

	BSD4.7	Submission of compliant reports on all projects expenditure implemented by municipality	MIG Provincial office and DWA		Phase 1A: 8 km of 500mm diameter uPVC pipe, R24,402,142.91. Phase 1B: 12,51 km of 500mm diameter ductile iron R29,060,241.52. Phase 1B LLC: R9,987,370.50 spent	5	5	5	5	5	5	5	
Ensure the condition of the roads are in an acceptable standard	BSD5.1	Blading of 120 km of gravel roads	Quarterly report to Council		Colesberg = 62 km Noupoort = 2 km and Norvalspont = 1.2 km	5	5	5	5	5	5	5	
	BSD5.2	Re-gravelled of 20 km roads	Quarterly report to Council		Colesberg = 5 km Noupoort = 5 km and Norvalspont = 2.2 km	5	5	5	5	5	5	5	
	BSD5.3	Maintenace and repair of storm water systems	Quarterly report to Council		763 m of storm water cleaned, 20 m in Dry location and 20 m in Matanzima str	5	5	5	5	5	5	5	
	BSD5.4	Upgrading gravel roads to surface of paved	Quarterly report to Council		None in the current financial year.	5	5	5	5	5	5	5	
	BSD5.5	Repairing of potholes	Quarterly report to Council		All surface street with potholes were attended to during the financial year.	5	5	5	5	5	5	5	
	BSD5.6	Blading of sportsfields	Quarterly report to Council		2 in Noupoort bladed	5	5	5	5	5	5	5	
To improve elecrical infrastructure and related services in the municipality	BSD6.1	Connection of 50 houses in Oubox (R 1,175M)	Quarterly report to Council		Achieved	5	5	5	5	5	5	5	
	BSD6.2	Compile a report on upgrading of Noupoort MV network from 6.6 KV to 11KV	Quarterly report to Council		Not achieved	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

BSD6.3	Compile long term bulk infrastructure investment plan	Quarterly report to Council		CIP exists in the municipality. Needs to be reviewed on yearly basis	5	5	5	5	5	5	5	
BSD6.4	Drafting and submission of Alternative Energy Source policy	Quarterly report to Council		No achieved	5	5	5	5	5	5	5	
BSD6.5	Report on the number of hours the electrical MV and LV distribution network is down	Quarterly report to Council		12/07/11 and 21/08/11 for 10 hrs planned maintenance, 6 hrs unplanned on 04/08/11; 29/11/11, 06/12/11, 10/12/11 and 29/12/11; 12/02/12 10 hrs planned.10/06/12 10 hrs planned. 20/06/12 8 hrs planned.	5	5	5	5	5	5	5	
BSD6.6	Report on the number of transformers and substation serviced	Quarterly report to Council		No achieved	5	5	5	3	5	4.5	4.6	
BSD6.7	Maintenance of control gear at boreholes and pumpstations	Quarterly report to Council		Not achieved	5	5	5	5	5	5	5	
BSD6.8	Maintenance of street and public lighting	Quarterly report to Council		4 high mast light: Kuyasa and 17 street lights. 3 high mast light in Kuyasa before during November and 2 in Noupoort	5	5	3	5	5	4.5	4.6	
BSD6.9	Funds spend on maintenace in accordance with allocated budget	Quarterly report to Council		Budget R479 692. R507 151 spent. 6% over expenditure at year end	5	5	5	5	5	5	5	
BSD6.10	Provision of electrical services and submission of M/Report	Quarterly report to Council		2 182 HH supplied by the municipality plus 360 added in New Ouboks in 2011/12 financial year	5	5	5	5	5	5	5	

		BSD6.11	Identification of small and large consumers to be transferred to appropriate demand meters	Submission of report		None. Electronic info available from Abakus system. Therefore could not be verified	5	5	5	5	5	5	5	
		BSD6.12	Development of business plan for changing of high mast lights with ordinary street lights (Only problematic high mast to be operation)	Submission of report		Not achieved. No capacity in the municipality	5	5	5	5	5	5	5	
	To maintain and upgrade municipal social infrastructure and municipal buildings	BSD7.1	Scrutining building plan application for conforment to all legislation	Quarterly report to Council		32 plans approved. Revenue generated R17,961 during the year	5	5	5	5	5	5	5	
		BSD7.2	Rendering inspections on all buildings	Quarterly report to Council		52 houses in Noupoort, and some 690 houses on the Ouboks project under construction. Status quo remains	5	5	5	5	5	5	5	
		BSD7.3	Manage and administer site allocation and surveying process	Quarterly report to Council		None. No new sites were survayed this financial year	5	5	5	5	5	5	5	
		BSD7.4	Ensure the appointment of OHS officers on all projects	Quarterly report to Council		Health and Safety Officer on the 10 LLC, Phase 1B and WTW project (Tandana)	5	5	5	5	5	5	5	
		BSD7.5	Maintenance of all municipal buildings	Quarterly report to Council		Municipal offices: Colesberg lady's bathrooms and Lowryville hall.	5	5	5	5	5	5	5	
		BSD7.6	Identification and stopping of illegal building actions	Quarterly report to Council		8 Bendlela road, Kuyasa; 28 Church Street during the midterm	5	5	5	5	5	5	5	4.96060606
MUNICIPAL TRANSFORMATION INSTITUTIONAL DEVELOPMENT															

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

To effectively and effieciently manage transformation and institutional development in the municipality	Skills Development and Training	MTID1.1	100% expenditure spend on training budget	Quarterly report to Council		Budget controlled in finance, both technicians attended NQF 5 in LIC organised by LGSETA at the DM, De Aar	5	5	5	5	5	5	5	
		MTID1.2	Full percentage of claimable funds to be claimed from LGSETA	Quarterly report to Council		Handled in Corporate Service Department	5	5	5	5	5	5	5	
		MTID1.3	Annual submission of WSP and implementation report	Proof of submission to LGSETA		Handled in Corporate Service Department	5	5	5	5	5	5	5	
		MTID1.5	Submission of WSP monthly report	Proof of submission to LGSETA		Handled in Corporate Service Department	5	5	5	5	5	5	5	
		MTID1.6	Draft and submit personal development for S57 and training programme for personnel	Apprroval by Council		Not archieved	5	4	1	1	1	1.75	2.4	
	Legislative interface	MTID4.1	4 Attend Portfolio, 4 Council and 4 Special Council meetings	Proof of council meetings		2 potfolio and 2 ordinaryl and 1 special council meetings attended	5	5	5	5	5	5	5	
		MTID4.2	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental isues	Proof of meetings		Not archieved	5	3	1	1	1	1.5	2.2	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

	MTID4.3	Quarterly report to Council on execution of Council resolutions	Quarterly report to Council		2 quarterly reports submitted and 1 midterm reports. Last quarterly report outstanding	5	5	5	5	5	5	5	
Performance management System	MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	Quarterly report to Council		Achieved	5	5	5	5	5	5	5	
	MTID5.2	Submission of SDBIP and PMS Reports	Quarterly report to Council		Achieved	5	5	5	5	5	5	5	
	MTID5.3	Submission of PMS and SDBIP reports	Proof of submitted Quarterly report to Council		Achieved	5	5	5	5	5	5	5	
	MTID5.4	Attending CFO forums of Prov. Treasury	Quarterly report to Council		None	5	5	5	5	5	5	5	
	MTID5.5	Quarterly report to Council on the submission of Financial reports	Quarterly report to Council		Achieved. V520 report	5	5	5	5	5	5	5	
Development of By-Laws, policies procedures, delegation of powers and strategies	MTID6.1	Develop and or review By-Laws, policies, procedures, delegation of powers and stategies and delegate powers to sub-ordinates	Quarterly report to Council		As and when needed. Delegation of powers achieved	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

Employee Wellness programme	MTID7.1	Availing of departmental speakers on funeral on invitation of families of deceased employees	Quarterly report to Council		As and when needed	5	5	5	5	5	5	5	
Labour relations	MTID8.1	Facilitate promt disciplinary actions against ill disciplined employees	Quarterly report to Council		Three submitted on time	5	5	5	5	5	5	5	
	MTID8.2	Proper management of leave	Quarterly report to Council		Leave forms submitted regularly	5	5	5	5	5	5	5	
	MTID8.3	Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	Report to Council		Manual attendance and electronic register submitted to HR office	5	5	5	5	5	5	5	
Organizational structure	MTID9.1	Review of departmental organizational structure in line with departmental goal	Proof of approval		Organogram exist and was revised	5	5	5	5	5	5	5	
Employment Equity	MTID10.1	Advice on Employment Equity implementation on recruitment process	Attendance of interviews		Not achieved. Department still male dominant and race also not equally represented	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

	Fleet management	MTID11.1	Management and reporting of use of departmental vehicles: Running cost and maintenance	Quarterly report to Council		Controls in place. Log books are filled and trip authority signed.	5	5	5	5	5	5	5	
		MTID11.2	Accident report on damaged vehicles and repair of damage	Quarterly report to Council		Report on BSF 215 NC	5	5	5	5	5	5	5	4.75454545
LOCAL ECONOMIC DEVELOPMENT															
To ensure sustainable local economic development	Monitor jobs created in implementation of projects in the municipality	LED1.1	Collect information of jobs created	Quarterly report		CWWTW: 47, CBWS: 28 , LLC: 78	5	5	5	5	5	5	5	
		LED1.2	Number of tenders awarded to HDIs when conditions allow	Quarterly report to Council		10 contracts awarded to HDI in the form of learnerships	5	5	5	5	5	5	5	5
FINANCIAL MANAGEMENT AND VIABILITY															
Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	FMV1.1	Prepare timeous departmental comment on internal and external audit reports	Quarterly report to Council		Comments submitted during the auditing period from August 2011 through to December 2011 on MIG, capital budget and fleet management	5	5	5	5	5	5	5	
		FMV1.2	Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	Quarterly report to Council		Over time properly documented. R30 000 is the limit for all the department. Leave application principle adhered to and leave forms always filled.	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

Budget and IDP Preparation	FMV2.1	Guide prioritizing process during IDP Rep Forums	Quarterly report to Council		Handled by an LED officer and manager Community Development, Technical plays supportive role. Two LED Rep Forums attended	5	5	5	5	5	5	5	
	FMV2.2	Establishment of Steering Committee for IDP/Budget and SDBIP.			IDP steering committee exists and organised by Manager Community Development Service	5	5	5	5	5	5	5	
Budget Control & monitoring	FMV3.1	Submission of overtime control - overspending per month must be kept at R50 000 and overexpenditure must not be in excess of 5%	Quarterly report		Overtime to be curbed in the workshop and public works at all times. Essential section such as Electricity, Sanitation and Water overtime only where it can not be avoided	5	5	5	5	5	5	5	
	FMV3.2	Updating of departmental asset register to reflect assets acquired, disposed and replacement.	Report to Council		Progressive but not achieved.	5	5	5	1	5	4	4.2	
	FMV3.3	Review departmental insurance porfolio on annual basis	Report to Council		Contents of the workshops not verified	5	5	5	5	5	5	5	
	FMV3.4	Timeosly reporting of all insurance claims on all assets	Report to Council		Claim on BSF 215 NC submitted on time. Fleet burnt during wild cat strikes reported to insurance (Merc truck, tipper truck and Isuzu bakkie	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

		FMV3.5	Ensure representation of department on all SCM Committees and implementation of SCM policy in department	Report to Council		Department is represented on both specification, evaluation and adjudication committees	5	5	5	5	5	5	5	
Improvement in the Financial Viability and Financial Management of local government;	Local municipality to obtain a clean audit report by 2011	FMV4.1	Ensure that all documentation is available on acquisision and disposal processes undertaken by the department.	AG Report		Documentation available on acquisition, but disposal has not been carried out in this financial year.	5	5	5	5	5	5	5	
		FMV4.2	GAMAP - GRAP convertion	Bid compliance sign-off		In progress through the finance department	5	5	5	5	5	5	5	
		FMV4.3	Prepare timeous comments on internal and external audit reports	Proof of comments and report to Council		Comment submitted on water leakage infront of the library	5	5	5	5	5	5	5	
		FMV4.4	Timeous preparation and submission of AFS to AG in new GRAP format	31-Aug-11		Finance department	5	5	5	5	5	5	5	
	Budget and IDP Preparation	FMV5.1	Draft and submit Budget and IDP Time Table	Report quarterly to Council		Finance department and Community Development Services	5	5	5	5	5	5	5	

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

		FMV5.2	Develop and monitor Service Delivery and Budget Implementation Plan (SDBIP)	Report quarterly to Council		The department cascaded down to section heads	5	5	5	5	5	5	5	
		FMV5.5	Preparation and approval of Adjustments budget	Report quarterly to Council		Submitted to the Finance Department	5	5	5	5	5	5	5	
		FMV5.6	Ensure 100% collection and receipt of grant funding as per DoRA	Report quarterly to Council		All department to account on grants	5	5	5	5	5	5	5	
	Financial Management	FMV7.1	the overexpenditure of budgeted amount on capital and operational excluding personel cost must not exceed 5%	Report to Council		Votes: 101810 = R1,559,225; R1,455,048 101815 = R34,430; R22,370 407005 = R812,675; R286,412 (Admin R472,625) 508005 = R1,557,898; R1,186,701 609005 = R2,689,371; R2,151,980	5	5	5	5	5	5	5	
		FMV7.2	Complying with the awarding of tenders	Report to Council		WWTW: Civil: Ursa, Mech and Electral: HT Pelatona. WTW: Civil: Ursa, Mech and Electrical: Inenzo	5	5	5	5	5	5	5	
		FMV7.3	Monitoring Performance with middle management per dept	Report to Council		Monthly report on operations submitted to HOD and quartely report submitted to council	5	5	5	5	5	5	5	
	Budget and IDP Preparation	FMV9.1	Draft and submit departmental budget needs	Quarterly report to Council		Mid term budget adjustment and 2012/13 budget submitted	5	5	5	5	5	5	5	4.96190476
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															

UMSOBOMVU TECHNICAL MANAGER: PMS ORGNISATIONAL SCORECARD FOR 2011/12

To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1.1	submission of issues by HOD's to a quarterly newsletter	Proof of information leaflet		December sumbmission issued	5	5	5	5	5	5	5	
		GGPP1.2	Attend quarterly Council Meets the People meetings	Minutes approved by Council		3 during the half year	5	5	5	5	5	5	5	
		GGPP1.3	Schedule IDP rep forum meetings with agenda and minites	Proof of meetings		LED officer arranged and attended by invitation	5	5	5	5	5	5	5	
		GGPP1.4	Ensure compilation of IDP and annual review	Submission of IDP review		Participation in IDP processes through an invitation by LED manager	5	5	5	5	5	5	5	
		GGPP1.5	Attend budget and IDP consultative meetings	Attendance register and minites		One meeting attended through an invitation by LED manager	5	5	5	5	5	5	5	
		GGPP1.6	Ensure that all department projects have a functional steering committee	Proof of meetings		Due to ammendment to terms of reference of the committee all site meetings now forms part of the streering committee meetings with one rep member seconded by commity	5	5	5	5	5	5	5	
	Functioning of IGR systems	GGPP2.1	Attend Local IGR meetings	Quarterly report to Council		Not achieved	5	5	5	5	5	5	5	
	Management of complaints and community feedback	GGPP3.1	Ensure registration and handling of service delivery complaints	Quarterly report to Council		Handled by Customer Care Officer some are directly handled	5	5	5	5	5	5	5	
		GGPP3.2	Give instant feedback to community members on disruption of services	Aproval by Council		Communicted to Coporate Services Department and then to the community	5	5	5	5	5	5	5	5

TECHNICAL MANAGER CMC FOR 2011/12

ORE MANAGERIAL COMPETANCIES (CMC)		WEIGHT	Self Score	MM Score	Cllr Score	External MM Score	PAC Member	Consolidated Score	
Financial Management	compulsory	20	5	4	5	5	5	4.75	4.6
People Managements and Empowerment	compulsory	20	5	5	4	5	5	4.75	4.8
Client Orientation and Customer Focus	compulsory	20	5	4	5	5	5	4.75	4.6
Interpretation of and implementation within the legislative an national policy frameworks		10	5	5	5	5	5	5	5
Knowledge of Performance Management and Reporting		10	5	5	5	5	5	5	5
Competence in policy conceptualisation, analysis and implementation		10	5	4	5	5	5	4.75	4.6
Skills in Governance		10	5	4	5	5	5	4.75	4.6
		100%							

TECHNICAL MANAGER SCORE FOR 2011/12

Section 57 Managers

Municipality:

Annual Performance Assessment

Assessment Rating Calculator

Name: T Mosompha

Cycle: Jul-11 to Jun-12

KRA	Weight	Rating	Score
BSD	30%	4.960606061	1.488181818
MT&OD	20%	4.754545455	0.950909091
LED	10%	5	0.5
MFV&M	20%	4.961904762	0.992380952
GG&PP	20%	5	1
	100%		164.3823954
KPA weight			80%
KPA SCORE			132%

CMC	Weight	Rating	Score
Financial Management	20%	4.6	0.92
People Managements and Empowerment	20%	4.8	0.96
Client Orientation and Customer Focus	20%	4.6	0.92
Interpretation of and implementation within the legislative an national policy frameworks	10%	5	0.5
Knowledge of Performance Management and Reporting	10%	5	0.5
Competence in policy conceptualisation, analysis and implementation	10%	4.6	0.46
Skills in Governance	10%	4.6	0.46
	100%		94.4
CCR weight			20%
CCR SCORE			19%

FINAL SCORE 150%

FINAL EVALUATION FOR COMMUNITY DEVELOPMENT MANAGER: JULY 2011 12

BASIC SERVICE DELIVERY

Strategy	Indicator	KPI No	Baseline	Target	Achieved	Self Score	MM	Cllr	External MM	PAC Member	Consolidated Score		
To improve and provide quality and basic service to the residents	To improve water quality to residents	BSD1.1	Number of water samples taken	100%	A total of 156 samples already taken for the year 2011-2012	5	5	5	5	5	5	5	
	To provide Town Planning and Township Development	BSD2.1	Monitoring of Ouboks implementation project	100%	Four meetings attended during 2011-2012	5	4	5	5	5	4.75	4.8	
		BSD2.2	Draft and submit development plan for new cemetaries in Colesberg and Noupoort	100%	New sites identified: Colesberg: -Town - new cemetery in place; Kuyasa , Noupoort: Eurekaville and Kwazamuxolo.	5	5	5	5	5	5	5	
	To improve refuse removal services and continuity of services to residents	BSD3.1	Drafting of services delivery plan and communicate to residents to promptly inform them when services cannot be rendered	100%	Service Delivery Plan in place for 2011/2012 Complaint book in place Loudhailers installed in two LVD's to communicate with the communities when services could not be rendered.	5	4	5	5	5	4.75	4.8	
		BSD3.2	Manage and administer waste disposal sites in Colesberg, Noupoort and Norvalspont	100%	Waste Management Plan in place. Maintenance was done during March 2012 on Colesberg site. Application for MIG funds were handed in to recover and upgrade Norvalspont Landfill site.	5	5	5	5	5	5	5	
	Housing Development and Housing Services	BSD4.1	Ensure funding for the building of 104 houses in Norvalspont	100%	Business Plan completed and hand in to COCHSTA on the 4th of October 2011 for funding.	5	5	5	5	5	5	5	
		BSD4.2	Facilitate handing over of newly built houses in Ouboks project	100%	700 Houses already handed over to beneficiaries out of the ISUP Ouboks approved list on phase 1 - 5.	5	5	5	5	5	5	5	
		BSD4.3	Facilitate surveying of Council owned 106 in Norvalspont	100%	This project is fully completed. The General Plan is completed and a Conveyancer is appointed to open a Town Register	5	5	5	5	5	5	5	

		BSD4.4	Ensure funding for the development of 600 erven for housing in Colesberg	100%	Business Plan completed and hand in to COCHSTA on the 4th of October 2011 for funding.	5	5	5	5	5	5	5	
		BSD4.5	Compile a Housing Register for municipality	100%	Housing register in place.	5	5	5	5	5	5	5	
		BSD4.6	Report to Council and Finance on the number of service applications for new houses to create debtor accounts	100%	A list with a total of 700 names was handed over to the CFO. Quarterly report to Council	5	5	5	5	5	5	5	
		BSD4.7	Report to Council and Finance on the number of ownership changes from municipality to private individuals to create rates accounts	100%	A list with a total of 290 private transfers in Towervallei , Lowryville, Noupoort and Norvalspont was handed over to the CFO. Report to Council.	5	5	5	5	5	5	5	
	To focus on the improvement of delivery of core powers and functions of local government	BSD5.1	% establishment of fire safety by-law framework	100%	This plan is in place.	5	5	5	5	5	5	5	
		BSD5.2	Number of sport facilities monitored on a regular basis	100%	Umsobomvu Sport Facility was monitored 61 times . Norvalspont Sport Complex was monitored 39 times . Lowryville Sport Complex was monitored 51 times	5	5	5	5	5	5	5	
	Management of commonage, parks, gardens and open spaces	BSD6.1	Manage and administer existing grave sites	100%	Registers are put in place in all the towns for each graveyard. The gravesites are fully managed and administered by this department. Numbers are given to people who bought sites. Approval of reports of Middle Management..	5	5	5	5	5	5	5	
		BSD6.2	Ensure that only municipal officials allocates graves sites and be available on every Thursday to show grave sites	100%	The Middle-Management Officer is fully responsible to allocate gravesites. The officials of this section must be available every day to show gravesites and monitor it according to the payment records.	5	5	5	5	5	5	5	

		BSD6.3	Engage owners of sites in Noupoort where rubble has been dumped with a view to ensure removal of rubble (Old Hotel)	100%	Letter was handed over to the attorneys (Schutz & de Jager) to take legal action against Mr. Benedito. The legal action has been started and is in process now. Awaits feedback from the attorneys.	5	5	5	5	5	5	5	
		BSD6.4	Maintenance and administration of gardens,parks and open spaces	100%	The parks, gardens and open spaces are cleaned on a regular basis as stated in the quarterly reports of that section.	5	5	5	5	5	5	5	
		BSD6.5	Update register of informal areas and number of households	100%	Registers in in place. List of names of Ou Boks, Wimpy-, Operation Vula-, Masiphakame-, and Philipstown Squatter Camps. Proof of new lists updated during February 2012	5	5	5	5	5	5	5	
		BSD6.6	Maintenance and administration of commonage land	100%	Commonage register in place. Contracts of Emerging Farmers signed and in place. Maintenance was done on a few windmills and fencing.	5	5	5	5	5	5	5	
	Disaster management	BSD7.1	Review of disaster sector plan	100%	This Sector Plan is completed and In process of rewriting in English.	5	5	5	5	5	5	5	
		BSD7.2	Ensure establishment of a disaster satelite office	100%	A letter was written to PKDM to establish a DS Office. Awaiting response from PKDM. Response were received from the PKDM stated that they will communicate future development with the Municipality. A follow-up letter was written to PKDM to avail their Municipal Manager to start with negotiations. Awaits feedback.	5	5	5	5	5	5	5	4.98181818
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT													
To effectively and efficiency manage transformation and	Employee Wellness programme	MTID7.1	Availing of departmental speakers on funeral on invitation of families of deceased employees	100%	No requests were received since July 2011 up to June 2012. Report to Council.	5	5	5	5	5	5	5	

Institutional development in the municipality	Labour relations	MTID8.1	Facilitate promt disciplinary actions against ill disciplined employees	100%	Disciplinary investigation taken against two (2) employees	5	5	5	5	5	5	5	
		MTID8.2	Proper management of leave	100%	All leave forms are signed finally by the MCD Monthly leave data received from the CFO to manage leave taken by the department's employees	5	5	5	5	5	5	5	
		MTID8.3	Institute and manage attendance registers and avail same monthly to Finance for payroll purposes	100%	Attendance registers are handed to the MCD every month end to be signed and handed over to the Finance Department	5	5	5	5	5	5	5	
	Organizational structure	MTID9.1	Review of departmental organizational structure in line with departmental goal	100%	This departmental Organisational Structure has been reviewed for the 2011/2012 financial year	5	5	5	5	5	5	5	
	Performance management System	MTID5.1	Compliance with performance agreements/plan and PMS Project Plan.	100%	Performance Agreement Plans and PMS Project Plan signed by Middle Management and in place	5	5	5	5	5	5	5	
		MTID5.2	Submission of SDBIP and PMS Reports	100%	PMS Reports completed and handed over to the Municipal Manager on a quarterly basis for Council meetings	5	5	5	5	5	5	5	
	Legislative interface	MTID4.1	Attend Portfolio, Council and Special Council meetings	100%	2 Portfolio Committee Meeting attended 5 Council Meetings attended 6 Special Council Meeting attended 4 Council Meets the People meetings attended	5	5	5	5	5	5	5	
		MTID4.2	Ensure that meetings are scheduled with political heads of Portfolio Committees to brief same on agenda items and to keep same updated on departmental isues	100%	2 Portfolio Committee Meeting attended on 3 November 2011 and 17 May 2012	5	5	5	5	5	5	5	

		MTID4.3	Quarterly report to Council on execution of Council resolutions	100%	Attached to report (4) reports) to Council	5	5	5	5	5	5	5	
	Development/Review of By-Laws, policies procedures, delegation of powers and strategies	MTID6,1	Develop and or review By-Laws, policies, procedures	100%	Discussed with the Housing and Services Officer for implementation	5	5	5	5	5	5	5	
		MTID6,2	Review Delegation of powers and delegated to sub-ordinates	100%	The Middle Management signed for their Delegation of Powers: Messrs. Chenge; Thibane during October 2011	5	5	5	5	5	5	5	
	Employment Equity	MTID10.1	Advice on Employment Equity implementation on recruitment process	100%	Attendance register of interviews on the 16th of February 2011December 2010	5	5	5	5	5	5	5	
	Fleet management	MTID11.1	Management and reporting of use of departmental vehicles: Running cost and maintenance	100%	Attached to report (4 reports) to Council	5	5	5	5	5	5	5	
		MTID11.2	Accident report on damaged vehicles and repair of damage	100%	No accidents from 1 July 2011 - 15 Decemeber 2011 Claim forms completed for damage on BSF234NC and the Refuse Truck BDC672NC during riots.	5	5	5	5	5	5	5	5
LOCAL ECONOMIC DEVELOPMENT													
To ensure sustainable local economic development	Number of jobs created by municipality on capital and job creation projects (short term)	LED1.1	To increase black participation in agricultural production and related potentials to maximise economic opportunities of the municipality by 2011	100%	16 People benefit from the Cleaning Project of the Cemeterie, 20 People benefit from the Cleaning of the Land Fill Sites and 245 people benefits from the Doornkloof Project..	5	5	5	5	5	5	5	
		LED1.2	% of tenders awarded to HDIs	100%	No tender was awarded since July 2011 up to June 2012	5	5	5	5	5	5	5	
	Tourism	LED2.1	To improved long range planning for the growth of tourism and related sectors	100%	The launch of a book of the Karretjie People. SADSA Events. Colesberg Extravaganza Township Event. Quarterly Report to Council. Meetings took place on 1; 15 an 31 March 2011, 7 June 2011	5	5	5	5	5	5	5	

		LED2.2	Number of tourism establishment graded and registered with NCTB	100%	18 Guest Houses are registered. Quarterly Reports and Invoices attached.	5		5	5	5	5	5	
		LED2.3	Development/Review of SMME strategy	100%	SMME Strategy Plan not in place. Busy to liaise with Province to develop our own. Quarterly Reports.	5	4	5	5	5	4.75	4.8	
		LED2.4	Development of local cooperative strategy	100%	Draft Provincial Co-operative Strategy is available. The municipality can now use this one to develop it's own. Quarterly Report to Council.	5	5	5	5	5	5	5	
	Emerging Farmers	LED3,1	Identification of one or more Emerging Farmers who can be encouraged to acquire farms	100%	Two Emerging Farmers was identified, Mrs. Mbuque and Blankie Martiens. A letter was sent to the Department of Agriculture to assist these farmers.	5	5	5	5	5	5	5	
		LED3,2	Identifying and facilitating purchasing processes for land or farms	100%	The following farms were identified, viz: De Voor; Brandewynfontein in Norvalspont but it was too expensive.	5	5	5	5	5	5	5	
		LED3,3	Report on payment culture of Emerging Farmers	100%	Letters was send out to all the Emerging Farmers to make payments on their accounts. Evidence attache to reports.	5	5	5	5	5	5	5	
		LED3,4	Identification of more commonage land for Emerging Farmers	100%	Busy lookiing for a farm/land for Norvalspont Emerging Farmers. Availability of farms in this area is a big problem. No land available.	5	5	5	5	5	5	5	
	LED Strategy	LED4.1	Inviting stakeholders in implementing identified LED processes	100%	Stakeholders were invited to the following LED processes, viz: DBSA to Job Funds; Recycling Co-Operative and BANKSETA Project.	5	5	5	5	5	5	5	
		LED4.2	Implementation of the LED Strategy	100%	LED Strategy completed. Only awaits the adoption the adoption by Council on the next Council Meeting	5	5	5	5	5	5	5	
		LED4.3	Review of the LED Strategy	100%	This document is not necessary to be review yet(2011/2012)	5		5	5	5	5	5	4.98461538
FINANCIAL MUNICIPAL VIABILITY													

FINAL EVALUATION FOR COMMUNITY DEVELOPMENT MANAGER: JULY 2011 12

Improvement in the Financial Viability and Financial Management of local government;	Ensure that the municipality obtains a clean audit report by 2011	FMV1.1	Ensure that all documentation is available on acquisition and disposal processes undertaken by the department.	100%	All documentation is available on acquisition. Contracts: Emerging Farmers, Housing and IDP.	5	5	5	5	5	5	5	
		FMV1.2	Prepare timeous departmental comment on internal and external audit reports	100%	A new application for registration of Norvalspont Landfill Site was handed in for MIG Funds to adhere to the Audit Queries.	5	5	5	5	5	5	5	
		FMV1.3	Ensure that department adheres to legal compliances on issues such as overtime, filling in of leave forms, etc.	100%	Community Development Section Budget Meetings with Middle Management on expenses of the telephone.	5	5	5	5	5	5	5	
	Budget and IDP Preparation	FMV2.1	Draft and submit departmental budget needs	100%	The departmental and operational budget needs for 2011/2012 has been submitted to the CFO	5	5	5	5	5	5	5	
		FMV2.2	Monitor Service Delivery and Budget Implementation Plan (SDBIP)	100%	The monitoring of this plan happens on a monthly basis	5	5	5	5	5	5	5	
		FMV2.3	Guide prioritizing process during IDP Rep Forums	100%	IDP meeting were held on 9 February 2012. Rep Forums and IDP Process Plan for 2012 also completed and in place.	5	5	5	5	5	5	5	
	Budget Control & monitoring	FMV7.1	Submission of overtime control (R 6 000 per month)- overspending not to be in excess of 5%	100%	Control of overtime is done to prevent overspending. Reports attached.	5	5	5	5	5	5	5	
		FMV7.2	Submission of budget control - overspending not to be in excess of 5%	100%	Budget Control of overspending is done for the 2011/2012 financial year.	5	5	5	5	5	5	5	
		FMV7.3	100% of allocated capital budget spent year to date not to exceed 5%	100%	Budget Control take place during project phases. No capital overspending for the 2011/2012 financial year	5	5	5	5	5	5	5	

		FMV7.4	95% of allocated budget spent year to date, excluding staff	100%	Allocated Budget Spent done for the 2011/2012 financial year.	5	5	5	5	5	5	5	
		FMV7.5	Updating of departmental of asset register to reflect assets acquired and disposed and replacement.	100%	Asset Register updated and in place.	5	5	5	5	5	5	5	
		FMV7.6	Review departmental insurance porfolio on annual basis	100%	Departmental Insurance updated	5	5	5	5	5	5	5	
		FMV7.7	Timeosly reporting of all insurance claims on all assets	100%	Insurance claim was done due to an accident on LDV BSF234NC and BDC672NC as well as an Insurance Claim on the damaged fencing of the Norvalspont Sports Complex.	5	5	5	5	5	5	5	
		FMV7.8	Ensure representation of department on all SCM Committees and implementation of SCM policy in department	100%	SCM Policy is implemented in this department. Representatives on this SCM committee is Messrs. R. Chenge, M. Thibane and the MCD	5	5	5	5	5	5	5	5
GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
To strengthening Good Governance, Community Participation and Ward Committee Systems in local government	Public communication and participation with community on local government matters	GGPP1.1	Draft quarterly newsletter on Community Services matters and current issues within the municipality	100%	Four news letter was handed over to Corporate Services. The second news letter was also handed over to Corporate Services for the year.	5	5	5	5	5	5	5	
		GGPP1.2	Attend quarterly Council Meets the People meetings	100%	2 Meetings was attended on 2 and 6 February 2012.	5	5	5	5	5	5	5	
		GGPP1.3	Schedule IDP consultative meetings with agenda and minites	100%	Steering Committee meetings were held on 7 November 2011 and 24 May 2012.	5	5	5	5	5	5	5	
		GGPP1.4	Ensure compilation of IDP and annual review	100%	The Draft IDP 2011/2012 completed. The Final IDP completed and approved by Council on 31 May 2011.	5	5		5	5	5	5	

		GGPP1.5	Attend budget and IDP consultative meetings	100%	Budget meeting was attended on 7 March 2012 and 10 May 2012. IDP Forum meeting was attended on 9 February 2012.	5	5	5	5	5	5	5	
		GGPP1.6	Ensure that all department projects have a functional steering committee	100%	Steering Committee for Noupoort Housing still the same. Steering Committee for Ouboks still the same.	5	5	5	5	5	5	5	
		GGPP1.7	Workshop all newly adopted policies and By-Laws with personnel	100%	SCM Policy with M/Management, Commonage Land Allocation Policy with Mr. R. Chenge.	5	5	5	5	5	5	5	
	Functioning of IGR systems	GGPP2.1	Attend Local IGR meetings	100%	No IGR Meetings at this stage	5	5	5	5	5	5	5	
	Management of complaints and community feedback	GGPP3.1	Ensure registration and handling of service delivery complaints	100%	Complaint book in place	5	5	5	5	5	5	5	
		GGPP3.2	Give instant feedback to community members on disruption of services	100%	Loudhalers installed in LDV to inform the communities on disruption of services. Communities were informed of Working Schedules for December 2011 by notices.	5	5	5	5	5	5	5	5

CORE MANAGERIAL COMPETANCIES (CMC)		WEIGHT	Self Score	MM Score	Cllr Score	External MM Score	PAC Member	Consolidated Score	
Financial Management	compulsory	20	5	5	5	5	5	5	5
People Managements and Empowerment	compulsory	20	5	4	5	5	5	4.75	4.6
Client Orientation and Customer Focus	compulsory	20	5	4	5	5	5	4.75	4.6
Interpretation of and implementation within the legislative an national policy frameworks		10	5	4	5	5	5	4.75	4.6
Knowledge of Performance Management and Reporting		10	5	4	5	5	5	4.75	4.6
Competence in policy conceptualisation, analysis and implementation		10	5	4	5	5	5	4.75	4.6
Skills in Governance		10	5	4	5	5	5	4.75	4.6
		100%							

COMMUNITY DEVELOPMENT CALCULATOR FOR 2011/12

Section 57 Managers

Municipality:

Annual Performance Assessment

Assessment Rating Calculator

Name: M Rossouw

Cycle: Jul-11 to Jun-12

KRA	Weight	Rating	Score
BSD	30%	4.981818182	1.494545455
MT&OD	20%	5	1
LED	10%	4.984615385	0.498461538
MFV&M	20%	5	1
GG&PP	20%	5	1
	100%		166.4335664
KPA weight			80%
KPA SCORE			133%

CMC	Weight	Rating	Score
Financial Management	20%	4.6	0.92
People Managements and Empowerment	20%	4.6	0.92
Client Orientation and Customer Focus	20%	4.6	0.92
Interpretation of and implementation within the legislative an national policy frameworks	10%	4.2	0.42
Knowledge of Performance Management and Reporting	10%	5	0.5
Competence in policy conceptualisation, analysis and implementation	10%	4.6	0.46
Skills in Governance	10%	4.6	0.46
	100%		92
CCR weight			20%
CCR SCORE			18%

FINAL SCORE **152%**